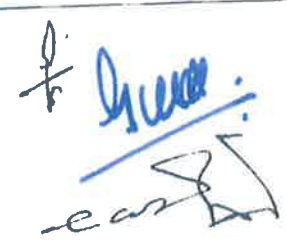


**Form A**

**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, 2015
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"> <li>• Shri. Deepak Tiwary – Chief Executive Officer</li> <li>• Shri. Prakash Y Gurav- Audit Committee Chairman</li> <li>• Shri Ajeet Garde - CFO</li> </ul> <p>Place: Mumbai Date: May 21, 2015</p> <ul style="list-style-type: none"> <li>• Auditor of the Company –</li> </ul> <p>Refer our Audit Report dated May 21, 2015 on the standalone Financial Statements of the Company.</p> <p>For DELOITTE HASKINS &amp; SELLS LLP Chartered Accountants (Firm Registration no. 117366WW-100018)</p> <p><i>Rupen K Bhatt</i> Rupen K Bhatt (Partner) (Membership No. 46930) Mumbai, Date: May 21, 2015</p>	



Annual Report 2014-15

## Forward Looking Statement

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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 'anticipate', 'estimate', '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 assumption 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

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### **Dear Shareholder,**

It's a pleasure to connect with you to reflect on the performance of CEBBCO in the last year and share our thoughts on CEBBCO's journey to grow in the future.

Clearly, 2014-15 has been a subdued year for the company. On one hand commercial vehicle industry has not fully recovered from the preceding years of slow down and on the other hand, our wagon manufacturing business has also not taken off as expected due to extremely competitive price pressures. Further, new power plants have also been coming up at slower pace than expected affecting our sales of fabricated steel structures (Heavy Fabrication) to Power projects.

The company has also suffered severe working capital challenges impacting our sales in the year 2014-15.

Overall macro-economic performance of the Indian Economy and infrastructure growth will continue to play an important role in creation of opportunities for the Company and the Company hopes to leverage these.

### **Future Opportunities:**

The expected improvements in the market sentiments and infrastructure growth are likely to drive to the growth in volumes in the coming years.

In the Commercial Vehicle – Fully Built Vehicle industry (FBV) the company is planning to consolidate its position by regaining market shares and becoming a leading player among authorized FBV manufacturers.

The Company's wagon manufacturing capability continues to be unutilized as the current level of prices do not support viable business proposition. We are looking at other opportunities in terms of wagon refurbishment and components/parts supply to Railways.

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

During the year, the Company recorded gross sales of ₹ 15238.40 lacs, which is 18% lower compared to the previous financial year. Loss before tax and exceptional items stood at ₹ 6030.08 lacs compared to loss before tax of ₹ 6773.11 Lacs in the previous financial year. The loss after exceptional items and tax for the year stood at ₹ 10254.61 lac against the previous years loss of ₹ 7043.08 lacs. The loss for the year includes an exceptional item

representing provision for impairment in the value of the fixed assets of ₹ 6300 lac. This is a non-cash provision and has been done in accordance with the Accounting Standard AS-29.

In view of challenges faced, we have been rationalizing costs and optimising production across our various plants. The Company will continue its efforts to improve cost structure, improve working capital management and strengthen its balance sheet. We are positive about the future with Government and policymakers in India serious about revitalising the growth process.

The company is also planning to augment funds for working capital.

The Company continues to maintain its thrust on improving its share of business from its customers and on exploring new products / applications / variants of current products for growth.

On the background of extremely challenging conditions over the past couple of years, we have indeed strengthened our resolve to grow the company from its current levels. The company continues to enjoy support from its major customers viz. Tata Motors, VE Commercial Vehicles (VECV), Ashok Leyland and Man trucks in FBV segment, and engineering giants like L&T Power and BHEL in heavy engineering.

I would like to convey my appreciation to the entire CEBBO team for their determination and efforts in this journey of the company.

The continuing support and co-operation of our loyal family circle of customers, dealers, suppliers, financial institutions, partners have been valuable to Your Company's well-being and the same is much appreciated. I thank all of them for continued patronage.

**Anil Joshi**  
Chairman  
DIN: 0019927

## Financial Highlights

### Profit & Loss Statement

(₹ in Crore)

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Income</b>					
Net Sales	212.16	463.06	497.97	131.57	110.76
Other Operational Income	4.57	5.57	4.93	7.29	7.68
Other Income	2.85	2.27	1.38	2.69	2.40
<b>Total Revenues</b>	<b>219.59</b>	<b>470.90</b>	<b>504.28</b>	<b>141.55</b>	<b>120.84</b>
<b>Expenditure</b>					
Manufacturing Expenses	176.38	368.01	392.59	140.62	113.54
Personal Cost	10.52	14.95	12.86	10.52	8.53
Selling & Admin Cost	12.30	15.47	32.49	9.12	17.31
EBIDTA	17.54	70.20	64.96	(21.40)	(20.94)
EBIDTA Margin (%)	8	15	13	(16)	(19)
Depreciation	3.85	6.37	16.70	30.06	20.26
EBIT	16.54	66.10	49.64	(48.78)	(38.80)
Interest Expenses	9.27	9.32	16.14	18.95	21.57
Profit Before Exceptional Item & Tax (PBT)	7.27	56.78	33.50	(67.73)	(60.36)
Exceptional item - Impairment of Assets	-	-	-	-	63.00
Tax	1.01	8.59	5.42	-	-
Deferred Tax	0.56	7.39	9.57	2.70	(20.81)
<b>Profit After Tax (PAT)</b>	<b>5.70</b>	<b>40.80</b>	<b>18.51</b>	<b>(70.43)</b>	<b>(102.55)</b>

## Financial Highlights

Balance Sheet

(₹ in Crore)

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Sources of Funds</b>					
Share Capital	54.94	54.94	54.94	54.94	63.94
Reserves & Surplus	162.35	203.15	219.09	151.23	48.69
Total Shareholder's Fund	217.29	258.09	274.03	206.17	112.63
Total Loan Funds	46.12	110.97	162.89	135.70	137.12
Deferred Tax Liability	1.15	8.54	18.11	20.81	-
<b>Total Sources of Funds</b>	<b>264.56</b>	<b>377.61</b>	<b>455.03</b>	<b>362.69</b>	<b>249.75</b>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Gross Block	57.80	198.95	349.61	357.13	366.01
Less: Accumulated Depreciation	15.15	21.46	37.90	67.83	151.05
Net Block	42.65	177.49	311.71	289.30	214.96
Capital Work in Progress	76.46	67.50	12.15	14.65	13.82
Investments	38.37	0.69	0.60	0.00	0.00
<b>Current Assets</b>					
Inventories	69.16	49.70	67.01	37.62	16.57
Sundry Debtors	30.64	103.75	146.74	23.52	25.21
Cash & Bank Balance	25.96	7.09	35.74	11.47	4.69
Loans & Advances	43.75	61.16	49.47	46.51	47.48
Total Current Assets	169.51	221.70	298.96	119.12	93.95
<b>Current Liabilities</b>					
Sundry Creditors	61.76	84.93	160.08	55.21	69.75
Provisions	0.67	4.84	8.31	5.18	3.23
Total Current Liabilities	62.43	89.77	168.39	60.39	72.98
Net Current Assets	107.08	131.93	130.57	58.73	20.97
<b>Total Application of Funds</b>	<b>264.56</b>	<b>377.61</b>	<b>455.03</b>	<b>362.69</b>	<b>249.75</b>



## Key Facts

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With a broad range of product offerings in the commercial vehicle, railways and heavy fabrication (for power plants) categories, 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. Further the Company has a facility for making freight wagons and is engaged in carrying out refurbishment of freight wagons and manufacturing of components for wagons and locomotives.

### **Commercial Vehicle / Fully Built Vehicle (FBV)**

One among large players manufacturing various applications on the commercial vehicle (CV) chassis with a major share of business with major CV manufacturers - Tata Motors, Volvo Eicher Commercial Vehicles Limited, MAN Trucks India and Vehicle Factory, Jabalpur (Ministry of Defense).

### **Railways**

Engaged in wagon refurbishment business since the year 2008 which includes refurbishments of wagons, supplies and fitting of side-walls, end-walls, floor plates, flap floor, door-plates etc. We are one of the few RDSO registered manufacturer for refurbishment of Wagons. We are also approved supplier to Railways production units like ICF, DLW and BHEL-Locomotive plant.

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

### **Heavy fabrication**

CEBBCO fabricates steel structures for Power Plants including Electrostatic Precipitators / Boiler structures. Major clients are L&T Power and BHEL Trichy. Resources of this segment can be used for fabrication of components for Railway bridges.

### **Strengths**

- Economies of scale in its FBV business due to strong track record and long standing relationships with all major OEMs.
- 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 key customers for commercial vehicle bodies, giving 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 quite conducive in Central India which also makes available 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 to all major OEMs.
- Indore and Jamshedpur units are near their key customers namely VE Commercial Vehicles and Tata Motors respectively.
- Manufacturing units located close to steel suppliers manufacturing locations 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 BHEL Trichy BGR Energy 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. Light Recovery Vehicle Bodies
3. Garbage Tippers
4. Fire Tenders

**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, and
3. Structures for Power plant boilers
4. Ducts and General Fabrication components for Power plants

# Management Discussion and Analysis

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## **The Economy - India**

The Indian economy posted 7.4% growth in the financial year 2014-15 (Reference-Central Statistics Office 2011-12 base years, Advance Estimates) as against 6.9% in the financial year 2013-14. Industrial sector gained momentum with Manufacturing, Construction and Electricity & Utilities growing by 6.8%, 4.5% and 9.6% respectively as against 5.3%, 2.5% and 4.8% in the previous year. However mining slowed down to 2.3% from 5.4% and the Agricultural sector slowed down to 1.1% from 3.7% in the previous year. Overall, improved business sentiment, lower oil prices and policy measures helped the economy to build momentum. According to International Monetary Fund, the global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. However, Global recovery will continue to be moderate and uneven. While developed economies are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons-with India being an exception. The Indian economy is expected to grow by 7.5% in 2015-16. Most economists believe that the Indian economy is at an inflexion point and is set for sustained growth in coming years. Lower oil prices, contained inflation, stable financial sector and expected policy actions will support growth this year. Year 2015-16 is also expected to see growth picking up in the mining sector, particularly Iron Ore and Coal. Downside risks include poor monsoon, infrastructure bottlenecks and pending structural reforms.

## **Commercial vehicle industry**

The domestic Commercial Vehicle industry, while continuing to contract on an overall basis, has shown significant growth in select segments. After a decline of 2% and 20.2% in the financial years 2012-13 and 2013-14 respectively, the total industry volumes further contracted by 2.8% in the financial year 2014-15.

Medium & Heavy Commercial Vehicle (M&HCV) segment, after dropping by 23% and 25% in the financial years 2012-13 and 2013-14 respectively, grew by 16% in the financial year 2014-15. However Light Commercial Vehicle (LCV) segment, which grew by 14% in the financial year 2012-13 and dropped by 17.6% in the financial year 2013-14, continued to contract by 11.6% in the financial year 2014-15. Exports of Commercial Vehicles in the financial year 2014-15 grew by 11.3% to reach 85,782 vehicles overall.

<b>M&amp;HCVs (Domestic Sales)</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Passenger Carriers	36,837	38,709	46,913
<b>Growth Y-o-Y, %</b>	<b>- 4.8%</b>	<b>- 17%</b>	<b>- 6%</b>
Goods Carriers	1,95,918	1,61,909	2,21,776
<b>Growth Y-o-Y, %</b>	<b>21%</b>	<b>- 27%</b>	<b>- 26%</b>
<b>Total M&amp;HCVs</b>	<b>2,32,755</b>	<b>2,00,627</b>	<b>2,68,689</b>
<b>Growth Y-o-Y, %</b>	<b>16%</b>	<b>- 25%</b>	<b>- 23%</b>

Given the expected growth in industrial, construction and mining sectors, M&HCV sales are likely to keep up the momentum in the financial year 2015-16. For the year 2015-16, Society of Indian Automobile Manufacturers (SIAM) has projected growth rates of 13%-15% for M&HCV's and 3%-5% for LCV's.

In view of enabling environment for overall infrastructure growth demand for Commercial Fully Built Vehicles in India is expected to remain on the growth track. 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. The total net Sales achieved under this division is ₹ 105.34 Crores. The sales were also slightly affected due to working capital constraints.

### **Railways**

The Company's railway business includes manufacturing of new wagons, refurbishment of old wagons and supply of assemblies for Indian Railways. While New Wagon manufacturing has not taken off due to pricing gaps, other businesses are expected to pick up in the current year. The company executed the total Net Sales under this division to the tune of ₹ 1.12 crore.

The delay in implementing a long-term procurement policy for wagons remains a problem leading to significant under-utilization of the Wagon Industry. With expected growth in the economy and policy initiatives in Railways, CEBICO is well placed to address opportunities in the sector as they arise.

### **Heavy Fabrication**

The Company fabricates steel structures and support columns for Power Plants and Electrostatic Precipitators (ESPs) and has executed orders for clients like L&T and BHEL. The total net sale achieved under this category is ₹ 4.30 crore.

Company is expecting to execute higher orders in the current year in view of pick up in the power project activity in recent months.

### **Financial Overview**

For the year ended 31 March 2015, the Company recorded total income of ₹ 152.38 crore and net loss of ₹ 60.36 crore before exceptional items & tax and a loss of ₹ 102.54 crore after exceptional items & tax as compared to total income of ₹ 185.36 crore and loss of ₹ 67.73 crore before tax and ₹ 70.43 crore after tax for the previous year ended 31 March

2014. The results for the current year include one-time charges of ₹ 63 crore for Impairment of assets (shown under exceptional items) and a charge of ₹ 7.23 crore (including interest) in respect of entry tax pertaining to earlier years.

Particulars	2014-15	2013-14
Gross Sales	15238.46	18536.94
Net Sales (Excluding Excise Duty)	11844.38	13885.99
Other Income	239.98	268.71
Total Expenditure	18120.44	20927.81
Profit/(Loss) Before Tax and exceptional items	(6036.08)	(6773.11)
Exceptional Item (impairment of asset)	6300.00	
Provision for Tax	(2081.47)	269.97
Profit/(Loss) After Tax	(10254.61)	(7043.08)
Balance Brought Forward From Previous Year	2266.61	9052.57
Reversal of Proposed Dividend (Net)		257.13
Balance Carried Forward to Balance Sheet	(7988.00)	2266.61

The performance was severely affected mainly due to severe funding constraints.

There was loss of some business which could not be executed and major customers lowered the off-take from the Company due to delivery issues.

In certain segment, the Company being unable to execute even the limited orders that it received affecting not only customer confidence, but also had to pay liquidated damages of Rs. 250 lacs, due to delayed deliveries.

The material costs significantly increased as the Company had to buy steel from traders at a price higher than manufacturer.

There were delays in payment of statutory dues causing a loss of Rs. 352 lacs in terms of interest cost.

The company was unable to discharge its loan liability to a bank as per the terms.

### Impairment of Assets

During the recent past, there has been a significant reduction in volumes mainly due to general economic slowdown, which has resulted in significant underutilization of assets.

As required by the Accounting Standard (AS) 28 "Impairment of Assets", the Company has provided for impairment of ₹ 6300 Lacs in the value of its plant & machinery relating to the cash generating unit located in a particular region based on the assessment of its "value in use" with a weighted average cost of capital (WACC) in the range of 13 to 15%. The same has been disclosed as an exceptional item in the statement of Profit and Loss Account.

### **Steps initiated by the Company**

The company has taken the following steps in order to tide over the funding issues and improve the financial performance-

1. It has arranged loans of ` 37.5 crore from banks and financial institutions to repay the statutory dues, repay high cost loans and to kick start the operations. The loan liability to a Bank has also been discharge subsequent to the year end after negotiating a discount of ` 32 lacs.
2. It has arranged non-fund based limits of ` 5 crore from a bank to facilitate buying of steel from mills rather than from traders.
3. The Company has taken an ongoing program to rationalize the use of production facilities in order to lower the cost. The company has also focused on radical cost reduction drive to improve profitability and to remain competitive. The concrete results of this drive in the form of reduction in Material, manpower and other costs will be visible in the coming quarters.
4. The Promoters of the company have agreed to subscribe to the issue of Preferential Share Capital of ` 20 crore of which ` 9 crore has already been brought into the company by way of conversion of loan of ` 8 crore and cash contribution of ` 1 crore. The balance ` 11 crore will be due for payment by 31st December 2015 as per the terms of issue.

The Company is hopeful of a significantly improved performance in the coming year.

### **Technology – IT Process and Systems**

With 6 manufacturing plants, IT at CEBBO is critical for operations and internal control.

During the next 2 to 3 years, the focus will be on upgrading the IT infrastructure to take advantage of the latest developments (such as cloud based computing) to add value to the operations through improvement in efficiencies and knowledge-based decision making.

### **Corporate Governance**

The leadership and Board of Directors of the Company are committed to corporate governance. We believe that the policies of the Company should be focused towards the obligation of all stakeholders and shareowners' participation adds value. 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 CEBBO.

The driving forces of corporate governance at CEBBO are its core values – excellence and customer satisfaction, maximizing long- term value for stakeholders, good corporate conduct and environment-friendly practices.

### **Risk Management**

The Company has a comprehensive risk management system and an independent internal audit function. The management has foreseen certain risks to the business and took effective steps to mitigate the risks. The following are the risks and the mitigation approach:-

1. **Cyclicality of the commercial vehicle industry**
2. **Dependence on few customers**



The demand for CEBSCO's products is closely linked to overall industrial growth and is vulnerable to cyclical in the commercial vehicle industry (CV). The CV industry has been under volume pressure for a prolonged period now and is just showing green shoots of recovery. Also the Company mainly depends upon few OEMs in the CV Industry who in turn follow a policy of developing multiple suppliers for their needs.

The Company has been driving on quality and cost to meet the needs of the customers. The Company has initiated action plan to improve on delivery commitment. This will enable it to command larger share of business from the existing CV OEMS.

The Company has been focusing on revenues from other industries such as Railway-Wagon refurbishment and heavy fabrication for Power. The Company will also focus on new applications catering to diverse user family.

### **3. Irregular order flows from Railways / heavy fabrication business**

The Company will get affected in case there are irregular order flows from Indian Railways/other capital goods industries requiring heavy fabrication. However, the Company's plant is fungible and can be used for the manufacture of FBVs.

### **4. Funding constraints**

As a result of significant investments in facilities in the past, there has been increased burden of financing cost.

Further, this was accentuated by the business slowdown in the last 2 years, adversely affected cash flow from operations. We have witnessed severe constraints in funds which had affected our procurement to meet the delivery commitments to the customers.

As explained above the company has taken steps to augment the funds and also initiated improvement process for working capital management.

### **5. Increase in raw material costs**

Any increase in raw material cost such as steel, impacts our profitability since all the increases cannot be passed on to the customer. Steel accounts for approximately 60% of the raw material costs. The company has centralized the steel procurement function with the objective of leveraging the volumes to get better prices and is focusing on other cost control measures.

### **6. Increase in interest rate**

Given the high interest burden, any increase in interest rate will adversely affect the company. This is a fixed cost and any measure taken to mitigate this risk will essentially show results over the medium and long term particularly as the Company is just emerging from a cash-strapped situation. The company is exploring ways and means to strengthen its capital structure and replacing high cost debt with cheaper ones.

### **7. Currency fluctuations**

The borrowing in external currency can fluctuate in line with the currency movement of the Indian rupee vis-à-vis the US Dollar and any depreciation in the value of the rupee can

adversely affect the company's profitability. The company has fully hedged the principal amount of the loan for the entire duration of the loan and has thus eliminated the risk.

#### **8. Delays in execution**

Any delay in execution of orders (particularly orders obtained through competitive tenders) can have a negative impact on profitability, apart from loss of repeat business.

The Company has initiated steps to improve production planning and order fulfillment process to ensure delivery commitments.

#### **Internal Control Systems**

The Company has an established and comprehensive internal control mechanism and management structure in place across all locations and 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 standard 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.

Date: 06th August 2015

Dear Members/Directors/Auditor,

You are cordially invited to attend the Annual General Meeting (the 'AGM') of the members of Commercial Engineers & Body Builders Co Limited (the 'Company') to be held on Friday, 11th September , 2015 at 03.00 PM. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003 (U.P.) The Notice of the meeting, containing the business to be transacted, is enclosed.

Thanking You,

For and on behalf of the Board

**COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED**

**Anurag Misra**

Company Secretary

PAN: ALRPM6381N

ACS No.: A21004

**Commercial Engineers & Body Builders Co Limited**

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

CIN: L24231UP1979PLC004837,

Telephone No. 0512-2520291,

Email ID - cs@cebbco.com, Website -www.cebbco.com

**NOTICE**

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of Commercial Engineers & Body Builders Co Limited will be held on Friday, the 11th September, 2015 at 03.00 P.M. at the U.P. Stock Exchange Auditorium, 'Padam Towers', 14/113 Civil Lines, Kanpur - 208 003 (U.P.) to transact the following businesses:

**ORDINARY BUSINESS**

1. To consider and adopt the audited Financial Statements of the Company for the Financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kailash Gupta (DIN: 00004951) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W / W - 100018) who were appointed as Auditors of the Company at the last Annual General Meeting of the Company to hold office from the conclusion of that Meeting until the conclusion of the 37th Annual General Meeting of the Company to be held in the year 2017, be and is hereby ratified at such remuneration plus service tax and out of pocket expenses and other terms and conditions as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS**

4. To consider the raising of the borrowing limits of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company through the process of Postal Ballot and results whereof was declared at 07th April, 2012, the consent of the Company be and is hereby accorded under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act,

2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof) to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid up Share Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time and shall not exceed the sum of ` 3,500,000,000/- (Rupees Three Hundred Fifty Crores only)."

5. To consider the raising of the limits for creation of charge on the assets of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the earlier passed by the Members of the Company through the process of Postal Ballot and results whereof was declared at 07th April, 2012, the consent of the Company be and is hereby accorded under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situated, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of the Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures / secured premium notes / bonds / other securities / debt instruments, and other secured lenders (hereinafter referred to as "the Lenders") to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly / fully convertible or non-convertible) / secured premium notes / bonds / other securities / debt instruments and/or rupee / foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on repayment

or on redemption, trustees remuneration, costs, charges, expenses and all other moneys including revaluation / devaluation / fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements / Heads of Agreements / Hypothecation Agreements / Trustees Agreements / Letters of Sanction / Memorandum of terms and conditions / Debenture Certificates entered into/to be entered into/issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures / secured premium notes / other securities / debt instruments to be secured as aforesaid provided that the total amount for which the security may be created shall not at any time exceed the limit of ₹ 3,500,000,000/- (Rupees Three Hundred & Fifty Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to finalise and execute with any of the Lenders jointly or severally, the documents, instruments and writings for creating aforesaid mortgage / charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

6. To consider issue, offer and allotment of Equity shares to its eligible employees under Employee Stock Option Scheme and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution:**

**"RESOLVED THAT** consent of the Company be and is hereby given in accordance with the provisions of Section 62 and all other provisions applicable, if any, of the Companies Act, 2013 (the Act) read with Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force, and subject to the provisions as contained in the Memorandum and Articles of Association of the Company, the Listing Agreement with the Stock Exchanges and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (the Guidelines) and including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force and subject to any other applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions (the "Approvals") of the Central Government, the Stock Exchanges, the Reserve Bank of India and any other appropriate authorities, institutions or bodies; and such conditions as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company or Nomination and Remuneration Committee constituted for this purpose to exercise its powers including the power conferred by this resolution -

- i) The Board be and is hereby authorized for and on behalf of the Company, to frame the proposed employees stock option scheme, (hereinafter referred to as "CEBSCO ESOP Scheme, 2015") and to create, offer, issue and allot from time to time, in one or more tranches at any time to and for the benefit of the such person(s) who are in permanent employment of the Company, but not a promoter or belonging to the promoter group or who is an Independent Director or who is a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company, under the proposed scheme such number of stock options convertible into equity shares not exceeding 20,00,000 equity shares, at such price and on such terms and conditions as the Board may decide in accordance with the regulations or other provisions of the law as may be prevailing at the relevant time.
- iii) The Nomination and Remuneration Committee be and is hereby also authorized to decide from time to time on the terms and conditions of the Stock Options, including but not limited to the following:
  - a. the manner in which the Stock options are granted
  - b. the period of the ESOS
  - c. grant Price of the Stock Options
  - d. the vesting schedule for exercise of stock options and generally to frame a comprehensive scheme governing such Stock Options
- iv) The said securities may be allotted directly to such employees in accordance with a scheme framed in that behalf through any appropriate mechanism by way of any permissible manner for that purpose
- v) The Board (including Nomination and Remuneration Committee) be and is hereby further authorised:
  - a. to make a fair and responsible adjustment to the number and other terms and conditions of the Stock Options granted in terms of this Resolution, in the event of any corporate action(s) including but not limited to rights issue(s), bonus issue(s), merger(s), demerger(s), divestment(s), restructuring, etc.
  - b. to adjust (i.e. to augment or reduce as the case may be, in due proportion) the number of shares to be allotted and the price to be paid by the option grantees in terms of this Resolution, upon subdivision or consolidation or any similar restructuring involving the face value or the paid up value of equity shares in the Company from its present level of Rs.10/-per share, provided that such adjustment shall not affect any other rights or obligations of such allottees.

- vi) Subject to the terms stated herein, the shares allotted pursuant to this Resolution shall in all respects rank paripassu, inter se, as also with the then existing fully paid shares of the Company save and except that the dividend, if any, payable in respect of the shares shall be paid proportionately from the date of allotment.
- vii) The Board (including Nomination and Remuneration Committee) be and is hereby authorized to vary or modify the terms of the "CEBBO ESOP Scheme, 2015" in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority .
- viii) For the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution, the Board / Nomination and Remuneration Committee be and is hereby authorised for and on behalf of the Company:
  - a. for the purpose of creating, offering, issuing, allotting and listing of securities, the Board (including Nomination and Remuneration Committee) be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the scheme and to make any modifications, changes, variations, alterations or revisions in the said scheme from time to time or to suspend, withdraw or revive the scheme from time to time as may be specified by any statutory authority and to do all other acts, deeds matters and things as are necessary to give effect to the above resolutions and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the members of the Company in this regard, provided that any variation in the scheme will not be detrimental to the interests of the employees.
  - b. to dispose off, from time to time, such of the Stock Options as are not vested or exercised, in such manner, as the Board may deem fit in its absolute discretion;
  - c. to enter into and execute all such arrangements as the case may be with any advisors, managers, bankers, financial institutions, solicitors, guarantors, depositories, custodians and other intermediaries (the "Agencies") in relation to the grant of Stock Options and to remunerate any of the Agencies in any manner including payment of commission, brokerage, fee or payment of their remuneration for their services;



- d. to settle any questions, difficulties or doubts that may arise in regard to the grant of Stock Options;
  - e. to seek and obtain the listing of the equity shares from time to time of exercised Stock Options, as may be required, on one or more Stock Exchanges."
7. To consider increase in Authorised Share Capital of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
- "RESOLVED THAT** pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from ` 75,05,00,000 (Rupees Seventy Five Crores Five Lacs Only) divided into 5,50,50,000 (Five Crores Fifty Lacs Fifty Thousand) Equity Shares of ` 10/- (Rupees Ten only) each and 20,00,000 (Twenty Lacs) Preference Shares of ` 100/- (Rupees One Hundred only) each to ` 77,05,00,000 (Rupees Seventy Seven Crores Five Lacs Only) divided into 5,70,50,000 (Seven Crores Fifty Lacs Fifty Thousand) Equity Shares of ` 10/- (Rupees Ten only) each and 20,00,000 (Twenty Lacs) Preference Shares of ` 100/- (Rupees One Hundred only) each by creation of 20,00,000 (Twenty Lacs) Equity Shares of ` 10/- (Rupees Ten only) each.
- RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
8. To consider alteration in Capital Clause of Memorandum of Association of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:
- "RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the existing Clause V and substituting in its place and stead the following clause:
- V. The Authorised Share Capital of the Company is ` 77,05,00,000/- (Rupees Seventy Seven Crores Five Lacs Only) divided into 5,70,50,000 (Five Crores Seventy Lacs Fifty Thousand) Equity Shares (Rupees Ten only) each aggregating to ` 57,05,00,000 (Rupees Fifty Seven Crores Five Lacs Only) and 20,00,000 (Twenty Lacs) Preference Shares of ` 100/- (Rupees One Hundred only) each aggregating to ` 20,00,00,000 (Rupees Twenty Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

FOR COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

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

**(Anurag Misra)**  
Company Secretary  
PAN: ALRPM6381N  
Membership No. A21004

Date: 06th August, 2015

**NOTES:**

1. **A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the Proxy should, however, be deposited at the Registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A Person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto as Annexure-A.
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 15 and Annexure-B. The Company will also send communication relating to remote e-voting which inter alia would contain details about e-voting event no., User ID and password along with a copy of this Notice to the Members, separately.
4. The Notice of AGM is being sent to those members/ beneficial owners whose name will appear in the registers of member/list of beneficiaries received from the depositories as on Friday, 07th August, 2015
5. Full version of Annual Reports will also be available under the section 'For Investors' on the website of the company- [www.cebbco.com](http://www.cebbco.com).
6. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during the business hours upto the date of the Meeting.
10. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, 8th September, 2015 to Friday, 11th September, 2015 (both days inclusive).

11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Transfer Agents, Karvy Computershare Private Limited("Karvy").
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Karvy, for consolidation into a single folio.
14. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
16. Information and other instructions relating to e-voting are as under:
  - i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - ii. The poll shall be conducted at the meeting and members attending the Meeting who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting.
  - iii. The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - iv. The Company has engaged the Services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

- v. Voting rights shall be reckoned on the Paid-up value of Shares registered in the name of the Member / Beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 5th September, 2015.
  - vi. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e. 5th September, 2015 only shall be entitled to avail the facility of remote e-voting .
  - vii. Detailed e-voting instructions are given in Annexure-B to this notice.
17. In terms Clause 49 of the Listing Agreement with the Stock Exchanges the particulars of Directors seeking appointment/re-appointment at the Annual General Meeting are as under :

Name	Mr. Kailash Chand Gupta
Directors Identification Number(DIN)	00004951
Age	69 years
Qualification	M. Sc. (Physics) Doctorate Degree for dissertation "A probe into the Environmental Change with the Social Economic Development due to automobiles"
Expertise in Specific Area	Marketing
Date of first Appointment on the Board of the Company	28/09/1979
Shareholding in the Company	23609495 Equity Shares and 2000000 Unlisted Non Convertible Cumulative Redeemable Preference Shares jointly with Mrs. Rekha Gupta(wife of Mr. Kailash Gupta)
List of Directorship held in other Companies	Shivam Motors Private Limited Commercial Automobiles Private Limited Kailash Motors Finance Private Limited Kailash Infratech Private Limited Kailash Rolfo India Private Limited Anubha Engineering Limited Commercial Automobiles Jabalpur Private Limited Shubham Multi Services Private Limited

**ANNEXURE- A TO THE NOTICE**  
**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES**  
**ACT, 2013**

**Item Nos. 4 and 5**

The Board of Directors of the Company and /or a Committee thereof was authorized pursuant to Section 293(1) (d) of the Companies Act, 1956 to borrow moneys in excess of aggregate of its Paid up Capital and Free Reserves, from time to time, up to an aggregate amount not exceeding rs 350 Crores (Three Hundred & Fifty Crores) only as prescribed in the Ordinary Resolution passed by the Members of the Company through the process of Postal Ballot and results whereof was declared at 07th April, 2012. The Board was also authorized for creation of any mortgage / charge, if needed in connection with the borrowings under Section 293(1) (a) of the Companies Act, 1956.

The Company has been exercising such powers in terms of the said Resolutions passed by the Members under the provisions of Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 corresponding Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 . In view of the enactment of the new Companies Act, 2013, the Company is required to seek fresh approval of members by special resolution enabling it to exercise powers under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 in excess of the aggregate of its Paid up Capital and Free Reserves and to create any mortgage/charge in connection with such borrowings.

It is ,therefore, proposed to have enabling approval from the members to borrow funds and create mortgage/charge to secure such borrowings, as and when considered appropriate upto an amount not exceeding rs350 Crores (Three Hundred & Fifty Crores) only by passing of Special Resolutions set out at Item Nos. 4 and 5 of the Notice . The Board recommends the said resolutions for approval by the Members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the said resolutions.

**Item No. 6**

The Company is going through challenging times. In order to strengthen the turnaround strategy, it is essential to ensure whole-hearted participation by the employees. To motivate the employees and enable them to participate in long term growth and financial performance, the Company is proposing to implement an Employee Stock Option Scheme. The ESOS would enable the Company to attract and motivate the employees by rewarding performance as also to retain the talent.

As required by the SEBI guidelines, the Nomination and Remuneration Committee will administer the ESOS and formulate the detailed terms and conditions of the scheme including;

- a. Quantum of options to be granted under ESOS per employee and in aggregate and pricing of options.

- b. Vesting conditions including conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
- c. Time period within which an employee may exercise vested options in the event of termination or resignation.
- d. Rights of an employee to exercise all vested options at one time or at various points of time within the exercise period.
- e. Procedure for making fair and reasonable adjustment to the number of options and to the exercise period, in case of rights issues, bonus issues, other corporate actions, or otherwise.
- f. Lock-in period for the shares issued pursuant to exercise of options.

The Company will implement the Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and any amendments thereto.

In terms of Regulation 6(2) of SEBI (Share based Employee Benefits) Regulations, 2014 and circular No. CIR/CFD/POLICYCELL/2/2015 dated 06th June, 2015, the details of the scheme are as given below:

- a. Brief description of the scheme-

The Company has proposed to implement "CEBBCO ESOP Scheme, 2015" to offer stock options to the eligible employees. The Nomination and Remuneration Committee of the Board of Directors will administer the "CEBBCO ESOP Scheme, 2015" subject to review by the Board of Directors.

- o Under the Scheme the eligible employees will be entitled to certain stock options entitling them to purchase the equity shares of the Company at the price to be determined by Nomination and Remuneration Committee.
  - o The options will be granted to the eligible employees based on company and individual performance criteria depending on grade of the employee or will be determined on a case to case basis.
  - o After granting of options, the eligible employee (grantee) will be entitled to exercise the option subject to vesting conditions as may be decided by the Nomination and Remuneration Committee. The minimum vesting period will one year and the vesting conditions will be subject to modifications, provided that any such change will not be detrimental to employee as compared to vesting conditions at time of grant of options
- b. Total number of options to be granted-  
Options may be granted from time to time by Nomination and Remuneration

Committee, subject to the stipulation that the aggregate options so granted shall not represent more than 20,00,000 equity shares at any given point of time.

**c. Identification of classes of employees entitled to participate and be beneficiaries in the scheme -**

All the permanent employment of the Company will be entitled to participate in the Scheme

However the following persons shall not be eligible to participate in the Scheme-

- (i) Promoter or any persons belonging to the Promoter group of the Company;
- (ii) Independent Directors and
- (iii) Director, who either by himself or through his relative or through any Body Corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company

**d. Requirements of vesting and period of vesting -**

- (i) The vesting will be subject to conditions regarding company and individual performance criteria, to be laid down by Nomination and Remuneration Committee, as per employee grade or these could be specific to Individual employee(s).
- (ii) The minimum vesting period will be one year and the options granted will vest over the period of three years in a manner to be decided by the Nomination and Remuneration Committee.

**e. Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options shall be vested- Three years.**

**f. Exercise price, purchase price or pricing formula-**

The exercise price will be decided at a discount on quoted market price of equity shares prevailing on the date of vesting. The discount will be decided by Nomination and Remuneration Committee depending on grades of employees or it will be on a case to case basis for certain key employees. The discount will not exceed 25% of the quoted market price of equity shares prevailing on the date of vesting.

**g. Exercise period and process of exercise-**

Exercise period will be 12 months from the vesting date of option. The options not exercised during any particular exercise period, can be carried forward to the subsequent exercise period(s), provided however that all the Options, have to be exercised within a period of two years from the date of the vesting in respect of the final lot, after which any unexercised options will lapse.



**h. The appraisal process for determining the eligibility of employees for the scheme-**

The eligibility of employees will be determined by Nomination and Remuneration Committee from time to time.

**i. Maximum number of options, as the case may be, to be issued per employee and in aggregate-**

The number of options that may be granted to employees under the Scheme shall be determined by the Nomination and Remuneration Committee from time to time. The maximum number of Stock Options granted to any eligible employee in any financial year shall not be more 1% of the Issued and Paid-up Share Capital of the Company on Fully Diluted Basis, unless consent of share holders approval is obtained by way of Special Resolution, subject to fair and reasonable adjustment in case of corporate actions such as rights issuers), bonus issuers), merger(s), demerger(s), divestment(s), restructuring. etc.

**j. Maximum quantum of benefits to be provided per employee under a scheme -**

The maximum quantum of benefits to be provided per employee under the Scheme shall be determined by the Nomination and Remuneration Committee from time to time.

**k. Whether the scheme is to be implemented and administered directly by the company or through a trust-**

The Scheme will be implemented and administered directly by the Company.

**l. Whether the scheme involves new issue of shares by the company or secondary acquisition by the trust or both-**

New Equity Shares will be issued by the Company. The Scheme does not involve secondary acquisition of shares.

**m. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.-**

Not applicable, since no loan will be provided.

**n. A statement to the effect that the company shall conform to the accounting policies specified in regulation 15-**

As prescribed in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014, the Company will follow the Guidance Note on Accounting for employee share-based Payments' or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

- o. The method which the company shall use to value its options-** The company will follow "Intrinsic value" method for valuation of options.
- p.** In the event, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

All of the Directors (excluding Independent Directors) including Key Managerial Persons are concerned and interested in the resolution at Item No of the Notice.

The Board recommends Special Resolution set out in Item No. of the notice for approval by the shareholders

#### **Item Nos. 7 and 8**

The present paid-up capital of the Company has already reached almost at par with the Authorized Share Capital of the Company and hardly any headroom is available for issue of further share capital. In order to accommodate further issue of Equity shares to the Employees under the proposed ESOP, it has been considered necessary to increase the Authorised Share Capital of the Company from ` 75,05,00,000 divided into 5,50,50,000 Equity Shares of ` 10/- each and 20,00,000, Preference Shares of ` 100/- each to ` 77,05,00,000 divided into 7,50,50,000 Equity Shares of ` 10/- each and 20,00,000, Preference Shares of ` 100/- each as provided in the resolution placed at Item No. 7 of the Notice. As a result of above, the relevant Capital Clause of the Memorandum of Association of the Company is required to be altered which is sought to be effected by passing of Resolution at Item No. 8 of the Notice. The Board recommends resolutions set out in Item Nos. 7 and 8 of the Notice for approval by the shareholders

None of the Directors / Key Managerial Personnel of the Company is concerned or interested in the proposed resolution except to the extent the Shares that may be offered and allotted to them as per ESOP.

A Copy of the Memorandum of Association of the Company together with the proposed changes is available for inspection of Members at the Registered Office of the Company during business hours on all working days up to the date of the Meeting.

#### **Item No. 9**

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 .With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions as they are no longer in conformity with the Companies Act, 2013. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by Shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication - their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders. The draft AOA shall be available for inspection during the meeting and can be inspected by members during the business hours at the registered office of the company.

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

None of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

By Order of the Board

FOR COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

Registered Office:  
84/105A, GTRoad,  
KANPUR (UP)

**(Anurag Misra)**  
Company Secretary  
PAN: ALRPM6381N  
Membership No. A21004

Date: 06th August, 2015

## ANNEXURE- B TO THE NOTICE

### Instructions for voting

**The instruction for e-voting are as under:**

- A. In case a Member receiving an email of the AGM Notice from Karvy[for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, Click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e. Commercial Engineers & Body Builders Co Ltd.
  - vii. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholders does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
  - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any special item it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [sk\\_gupta1@rediffmail.com](mailto:sk_gupta1@rediffmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENTNO."
  - xiii. In case a person has become the Member of the Company after dispatch of AGM Notice but on or before the cut-off date i.e 5th September, 2015, may write to Karvy on the email Id: [varghese1@karvy.com](mailto:varghese1@karvy.com) or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Commercial Engineers & Body Builders Co Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case a member receives physical copy of the Notice by Post[for members whose e-mail addresses are not registered with the Company /Depository Participant(s)]:
    - i. User ID and initial password - These will be sent separately.
    - ii. Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
  - C. The e-voting period commences on Tuesday, the 08th Sept. 2015 at 10.00 AM and ends on Thursday, 10th Sept.2015 at 05.00 PM. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Saturday, 05th September, 2015, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
  - D. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>. (Karvy's Website).
  - E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Saturday, 05th September, 2015 .
  - F. The Company has appointed Shri S.K. Gupta (FCS-2589) and Ms. Divya Saxena (FCS-5639), Practicing Company Secretaries and Partners, M/s. S.K. Gupta & Co., Company Secretaries, Kanpur as Scrutinizer and alternate Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - G. The Scrutinizer shall immediately after the conclusion of the voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later 3 days of conclusion of the meeting, a consolidated Scrutinizers Report of the total votes cast in the favour or against, if any, to the Chairman of the Company.

- H. The Results on resolutions shall be declared on or after the Annual General Meeting of the Company and the resolution(s) will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- I. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.cebbco.com](http://www.cebbco.com)) and Service Provider's website (<https://evoting.karvy.com>) and communication of the same to the BSE Limited and the National Stock Exchange of India Limited.

## Director's Report 2014-15

To the Members of

Commercial Engineers & Body Builders Co Ltd

Your Directors are pleased to present the 35th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2015.

### Financial Highlights

In ` Lacs

Particulars	2014-15	2013-14
Gross Sales	15238.46	18536.94
Net Sales (Excluding Excise Duty)	11844.38	13885.99
Other Income	239.98	268.71
Total Expenditure	18120.44	20927.81
Profit/(Loss) Before Tax and exceptional items	(6036.08)	(6773.11)
Exceptional Item (impairment of asset)	6300.00	
Provision for Tax	(2081.47)	269.97
Profit/(Loss) After Tax	(10254.61)	(7043.08)
Balance Brought Forward From Previous Year	2266.61	9052.57
Reversal of Proposed Dividend (Net)		257.13
Balance Carried Forward to Balance Sheet	(7988.00)	2266.61

### Performance at Glance

The Company has recorded gross sales of ` 15238.46 Lacs in the closed financial year 2014-15, which is 18.00% lesser as compared to the previous financial year.

Further your Company has recorded profit/(loss) before tax & exceptional item is ` (6036.08) Lacs (Previous year loss: ` 6,773.11 Lacs).

The Profit / (loss) after tax is at ` (10254.61) Lacs in the current year. (Previous year loss: ` 7043.08 Lacs).

A reference may please be made to Management Discussion and Analysis Section for analytical information regarding performance of the current fiscal.

### Dividend

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

## **Corporate Governance**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements set out by SEBI. 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.

## **Contracts and Arrangements with Related Parties**

All related party transactions that were entered into during the financial year 2014-15 were on an arm's length basis and were in the ordinary course of the business. The Company has not enter into any material or significant related party transactions with the Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link. [http://www.cebbco.com/docs/profile\\_for\\_investors.html](http://www.cebbco.com/docs/profile_for_investors.html).

The attention of Members is drawn to Note 35 of the financial statement which sets out related party disclosures.

## **Disclosure on Subsidiaries**

The Company does not have any subsidiary.

## **Corporate Social Responsibility (CSR)**

A Corporate Social Responsibility Policy (CSR Policy) demonstrating the activities to be undertaken by the Company has been formulated by the Corporate Social Responsibility Committee (CSR Committee) and recommended to the Board, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: [http://www.cebbco.com/docs/profile\\_for\\_investors.html](http://www.cebbco.com/docs/profile_for_investors.html).

The Annual Report on CSR activities has been annexed herewith as ANNEXURE - I

## **Risk Management**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, a Risk Management committee has been constituted by the company. The details of the committee and its terms of reference are set out in the Corporate Governance Report.

The company is continuously monitoring the risk and methods to mitigate these risks.



## **Internal Financial Controls**

Details of internal financial control and its adequacy are included in the management discussion and analysis report, which forms part of this report.

## **Directors and KMP**

### **The Board of Directors comprises of:**

Mr. Anil Gopal Joshi - Chairman and Independent Director  
Dr. Kailash Chand Gupta - Non Executive Promoter Director  
Mr. Prakash Yashwant Gurav - Independent Director  
Mr. Prabhakar Ramchandra Dalal - Independent Director  
Mr. Manchi Venkat Rajarao - Independent Director  
Mrs. Nandini Malpani - Non Executive Promoter Director

### **The KMPs are as follows:**

Mr. Deepak Tiwary - Chief Executive Officer  
Mr. Ajeet Garde - Chief Finance Officer  
Mr. Anurag Misra - Company Secretary

### **During the year following directors resigned :**

Mr. Sevantilal Popatlal Shah - Independent Director  
Mr. Sudhir K Vadehra - Independent Director  
Mr. Ravi Gupta - Independent Director

In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. Kailash Chand Gupta, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Further we confirm that the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as under Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of recommendations of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, an evaluation process was followed by the Board for its own performance and that of its Committees and individual Directors.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: [http://www.cebbco.com/docs/profile\\_for\\_investors.html](http://www.cebbco.com/docs/profile_for_investors.html).

### **Statutory Auditors**

M/s Deloitte Haskins & Sells LLP, firms' registration number-117366W/W-100018), Chartered Accountants, 32nd Floor, Tower 3, India Bulls Finance Centre, Senapati Bapat Marg, Elphinstone (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 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, 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 next AGM of the Company.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not require any further comments and explanations. Further, the Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer of opinion.

### **Secretarial Auditor**

The Board has appointed M/s S.K. Gupta & Co., Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as ANNEXURE II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **Disclosures :**

#### **Corporate Social Responsibility Committee**

The CSR Committee comprises Mr. Anil Gopal Joshi (Chairman), Mr. Manchi Venkat Rajarao and Mr. Prabhakar Ramchandra Dalal as other members.

#### **Audit Committee**

The Audit Committee comprises Mr. Prakash Yashwant Gurav (Chairman) and Mr. Anil Gopal Joshi and Mr. Prabhakar Ramchandra Dalal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

#### **Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics Officer and other Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Ethics Officer and other Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link [http://www.cebbco.com/docs/profile\\_for\\_investors.html](http://www.cebbco.com/docs/profile_for_investors.html).

#### **Meeting of the Board**

Ten meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance of this Annual Report.

**Particulars of Loans given, Investments made, guarantees given and securities provided**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the audited financial statement.

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out Go in terms of section 134 (3)(m) of the act read with rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Director report for the year ended March 31st 2015.****Conservation of Energy:**

1. Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
2. No specific investment has been made in reduction in energy consumption.
3. As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

The Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules.

**Technology Absorption**

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company persistently endeavors for maintenance and improvement in quality of its products.

**Foreign Outgo & Earning**

During the year under the review, the Company had Foreign Exchange Earnings Nil and Foreign Exchange Outgo of ₹ 564.00/-Lacs.

**Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith as ANNEXURE III to this Report.

**Employee**

There is no employee in the company whose particulars are required to be disclosed under the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendment thereto.

**GENERAL**

### 1) Public Deposit

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

2) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

**3) Material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of this report** - The Company has availed loan facility from finance company to the extent of ` 21 Crores and the same has interalia being utilised for repayment of the loan outstanding to a Bank (After negotiating a discount of ` 32 Lacs) for clearing of the statutory dues and for repayment of high cost loans.

### 4) Share Capital

During the year under review, the Company issued 2,000,000 unlisted non-convertible, cumulative redeemable preference shares of the Company of the face value of ` 100/- each, for an aggregate value of ` 20 Crore, at par, on a private placement basis, jointly to the promoters i.e. Mr. Kailash Chand Gupta and Mrs. Rekha Gupta. As of date ` 45/- per share is called up and paid up out of total face value of ` 100/-. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### Directors Responsibility Statement

Your Directors state that :

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.;
- b) 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 as at March 31, 2015 and of the profit or loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **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: Mumbai

Date: 6th August 2015

**Anil Joshi**

Chairman

DIN: 0019927

## ANNEXURE I TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Corporate Social Responsibility (CSR) [Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

The Company strives through sustainable measures to actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation. The CSR initiatives focus on universal development of mass communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the destitute and impoverished.

Web Link: [http://www.cebbco.com/docs/profile\\_for\\_investors.html](http://www.cebbco.com/docs/profile_for_investors.html)

**2. Composition of CSR committee**

The committee consists of following directors:

- Mr. Anil Gopal Joshi (Chairman)
- Mr. Manchi Venkat Raja Rao
- Mr. Prabhakar Dalal

**3. Average net profit of the company for last three financial years: ₹ 717 Lacs (but loss in the Previous Financial year)**

**4. Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above)- N.A.**

**5. Details of CSR spend for the financial year:**

a) Total amount spent for the financial year : Nil

b) Amount unspent if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below - N.A.

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - N.A.**

**ANNEXURE II TO DIRECTORS' REPORT  
SECRETARIAL AUDIT REPORT**

**S. K. Gupta & Co.**

Company Secretaries

9, Roland Complex  
Upper Floor,  
37/17 Westcott Building,  
The Mall,  
Kanpur-208001  
Phone :0512- 2315123  
Cell: 9415042137  
E-mail:sk\_gupta1@rediffmail.com

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
Commercial Engineers & Body Builders Co Limited,  
84/105-A, G.T. Road,  
KANPUR- 208003 (U.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has during the Financial year ended on 31st March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-

mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

**(Not applicable to the Company during the Audit Period as the Company has not entered in to any transaction involving Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (Not applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

We have also examined compliance with the applicable Clauses of the following:

- i. Secretarial Standards issued by 'The Institute of Company Secretaries of India' (Not notified hence not applicable to the Company during the audit period).
- ii. The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We have relied upon the representation made by the Company and its Officers for compliances under the laws and regulations as applicable to the Company and are of the opinion that there are no sectoral laws applicable specifically to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of Audit and review of Internal Auditor's Report and the periodical compliance reports submitted by respective Departmental Heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the Audit Period:

- a. The Company has on 25th November, 2014 made allotment of 20,00,000, 0.00001%, Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) of the face value of ` 100/- each at par aggregating to ` 20,00,00,000/- to Promoters on preferential allotment basis.
- b. Considering significant reduction in volumes and future business scenario, the Company has provided for impairment of ` 6,300 Lacs in the value of Plant and Machinery to comply with the requirements of Accounting Standard (AS) - 28 'Impairment of Assets'.
- c. 3,05,80,083 Equity Shares constituting 99.73% of the Promoter's Shareholding were encumbered / pledged against various facilities availed by the Company at the close of the financial year i.e. 31st March, 2015 .

**For S.K. Gupta & Co.**  
Company Secretaries

**(S.K. GUPTA)**  
Managing Partner  
F.C.S -2589  
C P-1920

Place: Kanpur  
Date: 27th July 2015

## ANNEXURE III TO DIRECTORS' REPORT

### FORM NO. MGT 9

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.*

### EXTRACT OF ANNUAL RETURN

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L24231UP1979PLC004837
ii	Registration Date	28-Sep-79
iii	Name of the Company	Commercial Engineers & Body Builders Co Ltd
iv	Category of the Company	Public Limited
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	84/105-A, G T Road, Kanpur Mahanagar
	Town / City :	Kanpur
	State :	Uttar Pradesh
	Country Name :	India
	Telephone (with STD Code) :	0512-2520291
	Fax Number :	-
	Email Address :	cs@cebbco.com
	Website, if any:	www.cebbco.com
vi	Whether listed company	Yes
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	Karvy Computershare Pvt. Ltd
	Address :	Karvy Selenium Tower B, Plot number 31 & 32, Nanakramguda, Serilingampally Mandal
	Town / City :	Hyderabad
	State :	Andhra Pradesh
	Pin Code:	500032
	Telephone :	040-67161564
	Fax Number :	040-67161564
	Email Address :	shobha.anand@karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Commercial Vehicle Load Body For Tata Motors Ltd. Eicher, MAN FORCE, Defence and non OEM customer		87%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	0
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S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	N A	N A		N A	

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
<b>A. Promoter s</b>								
<b>(1) Indian</b>								
a) Individual/ HUF	27424670	0	27424670	49.91%	27424670	0	27424670	49.91%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%
d) Bodies Corp.	27054	0	27054	0.05%	27054	0	27054	0.05%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%
f) Any other (Promoter Trust)	3213443	0	3213443	5.85%	3213443	0	3213443	5.85%
<b>(2) Foreign</b>								
a) NRI - Individual	0	0	0	0.00%	0	0	0	0.00%
b) Other - Individual	0	0	0	0.00%	0	0	0	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%
<b>Total shareholding of Promoter (A)</b>	30665167	0	30665167	55.81%	30665167	0	30665167	55.81%
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds	1111592	0	1111592	2.02%	1111592	0	1111592	2.02%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%
e) Venture Capital Funds	6005401	0	6005401	10.93%	6005401	0	6005401	10.93%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%
g) FIIs	200995	0	200995	0.37%	191753	0	191753	0.35%
h) Foreign Venture Capital	0	0	0	0.00%	0	0	0	0.00%

i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0	0	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	7317988	0	7317988	13.32%	7308746	0	7308746	13.30%	0	7308746	13.30%	0.02%
<b>2. Non-Institutions</b>												
a) Bodies Corp.												
i) Indian	3786880	0	3786880	6.89%	4145692	0	4145692	7.55%	0	4145692	7.55%	-0.65%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0	0	0.00%	0.00%
b) Individuals												
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7049367	113	7049480	12.83%	6892339	103	6892442	12.54%	0	6892442	12.54%	0.29%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5438841	0	5438841	9.90%	5293175	0	5293175	9.63%	0	5293175	9.63%	0.27%
c) Others (specify)												
Clearing Members	417869		417869	0.76%	362861	0	362861	0.66%	0	362861	0.66%	0.10%
Non Resident Indians	256139		256139	0.47%	274881	0	274881	0.50%	0	274881	0.50%	-0.03%
Trust	10600		10600	0.02%								
<b>Sub-total (B)(2):-</b>	16959696	113	16959809	30.85%	16968948	103	16969051	30.88%	0	16969051	30.88%	-0.04%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	24277684	113	24277797	44.19%	24277694	103	24277797	44.19%	0	24277797	44.19%	-0.02%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>												
Total ('C)	0	0	0	0.00%	0	0	0	0%	0	0	0%	0.00%
<b>Grand Total (A+B+C)</b>	54942851	113	54942964	100.00%	54942861	103	54942964	100%	0	54942964	100%	-0.02%

## ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kailash Gupta	23927050	43.55%	43.55%	23927050	43.55%	23927050	0.00%
2	Rekha Gupta	3439590	6.26%	6.26%	3439590	6.26%	3439590	0.00%
3	Nandini Malpani	1620000	2.95%	2.95%	1620000	2.95%	1620000	0.00%
4	Nandini Malpani	1124105	2.05%	2.05%	1124105	2.05%	1124105	0.00%
5	Nandini Malpani	469338	0.85%	0.85%	469338	0.85%	469338	0.00%
6	Shalini Gupta	58030	0.11%	0.00%	58030	0.11%	58030	0.00%
7	Commercial Automobiles Pvt Ltd.	27054	0.05%	0.00%	27054	0.05%	27054	0.00%
	<b>TOTAL</b>	30665167	55.81%	55.66%	30665167	55.81%	30665167	0.00%

## iii Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No. I - Mr. _____		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Changes During the Year	N.A.	N.A.	N.A.	N.A.
	<b>Increase</b>	N.A.	N.A.	N.A.	N.A.
	<b>Date</b>				
	<b>Reason for Increase</b>				
	<b>Decrease</b>	N.A.	N.A.		
	<b>Date</b>				
	<b>Reason for Decrease</b>				
	At the End of the year				

## iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.: 1 - TATA CAPITAL GROWTH FUND I	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	6005401	10.93%	6005401	10.93%
Changes During the Year	NIL	NIL	NIL	NIL
<b>Increase</b>				
<b>Date</b>	NIL	NIL		
<b>Reason for Increase</b>				
<b>Decrease</b>				
<b>Date</b>	NIL	NIL		
<b>Reason for Decrease</b>				
At the End of the year (or on the date of separation, if separated during the year)	6005401	10.93%	6005401	10.93%

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Sl. No.: 2 - HSBC MIDCAP EQUITY FUND</b>				
At the beginning of the year	655000	1.19%	655000	1.19%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>				
<b>Reason for Increase</b>				
	NIL			
<b>Decrease</b>				
<b>Date</b>				
<b>Reason for Decrease</b>				
At the End of the year (or on the date of separation, if separated during the year)	655000	1.19%	655000	1.19%
NIL				
<b>Sl. No.: 3 - DHAMPUR ALCO-CHEM LIMITED</b>				
At the beginning of the year	500000	0.91%	0	
Changes During the Year			-500000	-0.91%
<b>Increase</b>				
<b>Date</b>				
<b>Reason for Increase</b>				
	NIL			
<b>Decrease</b>				
<b>Date</b>				
<b>Reason for Decrease</b>				
At the End of the year (or on the date of separation, if separated during the year)	500000	0.91%	0	-0.91%

Sl. No.: 4 - HSBC PROGRESSIVE THEMES FUND	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	456592	0.83%	456592	0.83%
Changes During the Year	NA	NA	NA	NA
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
NIL	NIL			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
NIL	NIL			
At the End of the year (or on the date of separation, if separated during the year)	456592	0.83%	456592	0.83%

Sl. No.: 5 - C RAGUPATI	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	315568	0.83%	315568	0.83%
Changes During the Year	NA	NA	NA	NA
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
NIL	NIL			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
NIL	NIL			
At the End of the year (or on the date of separation, if separated during the year)	315568	0.83%	315568	0.83%



Sl. No.: 6 - SHANKAR SOMANI	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	300000	0.55%	0	
Changes During the Year	NIL	NIL	-300000	-0.55%
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
NIL	NIL			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Sale			
At the End of the year (or on the date of separation, if separated during the year)	300000	0.55%	-300000	-0.55%

Sl. No.: 7 - ACIRA CONSULTANCY PRIVATE LIMITED	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	284565	0.52%	0	
Changes During the Year			-284565	-0.52%
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
NA	NA			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Sale			
At the End of the year (or on the date of separation, if separated during the year)	284565	0.52%	-284565	-0.52%

Sl. No.: 8 - BONANZA PORTFOLIO LTD		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		248775	0.45%	117526	0.21%
Changes During the Year				-366301	-0.67%
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
	<b>Acquisition</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	<b>Sale</b>				
At the End of the year (or on the date of separation, if separated during the year)		248775	0.45%	117526	-0.45%

Sl. No.: 9 - BILKIS ZUBAIR HAWA		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		211914	0.39%		
Changes During the Year				-211914	-0.39%
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
	<b>NA</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	<b>Sale</b>				
At the End of the year (or on the date of separation, if separated during the year)		211914	0.39%	-211914	-0.39%

Sl. No.: 10 - PANKAJ JAYANTILAL PATEL		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		210000	0.38%		
Changes During the Year				-210000	-0.38%
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	<b>Sale</b>				
At the End of the year (or on the date of separation, if separated during the year)		210000	0.38%	-210000	-0.38%

v *Shareholding of Directors and Key Managerial Personnel:*

S. No.: 1 Mr. Kailash Gupta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	23927050	43.55%	23927050	43.55%
Changes During the Year	-	-	-	-
<b>Increase</b>				
<b>Date</b>		<b>Reason for Increase</b>		
NA	NA			
<b>Decrease</b>				
<b>Date</b>		<b>Reason for Decrease</b>		
NA	NA			
At the End of the year	23927050	43.55%	23927050	43.55%

S. No.: 2 Mrs. Nandini Malpani as Trustee of Jashn Beneficiary Trust(Promoter Trust)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	3213443	5.85%	3213443	5.85%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>		<b>Reason for Increase</b>		
<b>Decrease</b>				
<b>Date</b>		<b>Reason for Decrease</b>		
At the End of the year	3213443	5.85%	3213443	5.85%

**V INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

( in Laacs)

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	11690.12	1880.17	0.00	13570.29
ii) Interest due but not paid	82.08			82.08
iii) Interest accrued but not due	86.26			86.26
<b>Total (i+ii+iii)</b>	<b>11858.46</b>	<b>1880.17</b>	<b>0.00</b>	<b>13738.63</b>
Change in Indebtedness during the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
* Addition	5151.25	95.69	0.00	5246.94
* Reduction	3505.91	1336.35		4842.26
<b>Net Change</b>	<b>1645.34</b>	<b>-1240.66</b>	<b>0.00</b>	<b>404.68</b>
Indebtedness at the end of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	13335.46	639.51	0.00	13974.97
ii) Interest due but not paid	257.79			257.79
iii) Interest accrued but not due	74.46			74.46
<b>Total (i+ii+iii)</b>	<b>13667.71</b>	<b>639.51</b>	<b>0.00</b>	<b>14307.22</b>

Note :-Unsecured loan of Rs.800.00 Laacs from promoters converted into non convertible cummulative redeemable preference share capital.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/W/TD/ Manager
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	<b>NIL</b>
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit - others, specify	
5	Others, please specify Total (A) Ceiling as per the Act	

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Anil Gopal Joshi	Kailash Chand Gupta	Prabhakar Ramchandra Dalal	Manchi Venkat Rajarao	Prakash Kashwant Gurav	
1	<b>Independent Directors</b> Fee for attending board committee meetings Commission Others, please specify Total (1)	190,000.00 - - 190,000.00	- - - -	130,000.00 - - 130,000.00	125,000.00 - - 125,000.00	190,000.00 - - 190,000.00	635,000.00 - - 635,000.00
2	<b>Other Non-Executive Directors</b> Fee for attending board committee meetings Commission Others, please specify Total (2) Total (B)=(1+2)	- - - 80,000.00	80,000.00 80,000.00 80,000.00 80,000.00	- - - 130,000.00	- - - 125,000.00	- - - 190,000.00	- - - 120,000.00
	Total Managerial Remuneration Overall Ceiling as per the Act	190,000.00	80,000.00	130,000.00	125,000.00	190,000.00	755,000.00
							755,000.00
							-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary	4,999,800.00	1,434,380.00	2,224,544.00	86,58,724.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	4,999,800.00	1,434,380.00	2,224,544.00	86,58,724.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## REPORT ON CORPORATE GOVERNANCE

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

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices embodied in the provisions of Clause 49 of the Listing Agreement. The Company has also adopted the Code of Conduct for the Directors and senior management personnel. The Company also has a Code for Prevention of Insider Trading for the Directors and the designated employees 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 Chief Executive officer manages the day to day affairs of the Company under the guidance of Board.

The Board met 10 times during the year 2014-15 i.e. on 27th May, 2014, 15th July, 2014, 28th July, 2014, 14th August, 2014, 16th October, 2014, 13th November 2014, 12th December 2014, 16th January 2015, 13th February, 2015 and 26th March 2015.

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.	Director/ Chairman	Mr. Anil Gopal Joshi	Independent Non-executive	9	Present
2.	Director	Dr. Kailash Chand Gupta	Promoter Non-Executive	7	Present
3.	Director	Mr. Prabhakar Dalal	Independent Non-executive	9	Absent
4.	Director	Mr. Prakash Yashwant Gurav	Independent Non-executive	9	Present
5.	Director	Mr. Manchi Venkat Rajarao	Independent Non-executive	6	Absent
6.	Director	Mrs. Nandini Malpani	Promoter Non-Executive	2	Absent
7.	Director	Mr. Ravi Gupta	Independent Non-executive	2	Not Applicable as resigned w.e.f 16 <sup>th</sup> July 2014

8.	Director	Mr. Sudhir Vadhera	Independent Non-executive	1	Not Applicable as resigned w.e.f 16 <sup>th</sup> July 2014
9.	Director	Mr. S.P. Shah	Independent Non-executive	0	Not Applicable as resigned w.e.f 16 <sup>th</sup> July 2014

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.	Mr. Anil Gopal Joshi	5	2	9
2.	Dr. Kailash Gupta	9	-	-
3.	Mr. Prabhakar Dalal	7	2	15
4.	Mr. Prakash Yashwant Gurav	6	5	8
5.	Mr. Manchi Venkat Rajarao	-	-	-
6.	Mrs. Nandini Malpani	6	-	-

c.) No. of Shares held by the Directors: (position as on 31.03.2015)

Sr. No.	Designation	Name of Director	Position	No. of Shares held	%
1.	Director/ Chairman	Mr. Anil Gopal Joshi	Independent Non-executive	NIL	-
2.	Director	Dr. Kailash Gupta	Promoter Non-Executive	23927050 Equity Shares	43.55
3.	Director	Dr. Kailash Gupta	Promoter Non-Executive	2000000 Non-Convertible Cumulative Redeemable Preference Shares	100
4.	Director	Mr. Prabhakar Dalal	Non-Executive Independent	NIL	-
5.	Director	Mr. Prakash Yashwant Gurav	Non-Executive Independent	NIL	-
6.	Director	Mr. Manchi Venkat Rajarao	Non-Executive Independent	NIL	-
7.	Director	Mrs. Nandini Malpani	Promoter Non-Executive	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.

**2. Audit Committee**

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013. Brief description of terms of reference of the Audit Committee include

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements

- vi. Disclosure of any related party transactions
- vii. Qualifications in the draft audit report
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - To review the functioning of the Whistle Blower mechanism;
  - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - The Audit Committee shall mandatorily review the following information:
    - i. Management discussion and analysis of financial condition and results of operations;
    - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- a.) Composition, name of members and chairperson.

The composition of the Audit Committee is as under

- i. Mr. Prakash Yashwant Gurav-Chairman (Inducted as member & Chairman w.e.f.15thJuly, 2014)
- ii. Mr. Anil Gopal Joshi - Member (Inducted as member w.e.f.15th July,2014)
- iii. Mr. Prabhakar Ramchandra Dalal- Member (Inducted as member w.e.f.15th July,2014)
- iv. Mr. Ravi Gupta-Chairman (Resigned as member of Board & Committee w.e.f.16th July, 2014)
- v. Mr. Sevantilal Popatlal Shah (Resigned as member of Board & Committee w.e.f.16th July, 2014)
- vi. Mr. Sudhir Kumar Vadhra (Resigned as member of Board & Committee w.e.f.16th July, 2014)
- vii. Mr. Praveen Kumar (Resigned as member of Board & Committee w.e.f.27th May, 2014)

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

**b.)** Audit Committee Meetings were held on 27th May 2014, 15th July 2014, 28th July 2014, 14th August 2014, 13th November, 2014 and 13th February, 2015. 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. Sudhir Kumar Vadhra	Mr. Praveen Kumar	Mr. Prakash Yashwant Gurav	Mr. Anil Gopal Joshi	Mr. Prabhakar Ramchandra Dalal
1	27 <sup>th</sup> May, 2014	Y	N	Y	N	NA	NA	NA
2	15 <sup>th</sup> July, 2014	Resigned	Resigned	Resigned	Resigned	Y	Y	Y
3	28 <sup>th</sup> July, 2014	Resigned	Resigned	Resigned	Resigned	Y	Y	Y
4	14 <sup>th</sup> August, 2014	Resigned	Resigned	Resigned	Resigned	Y	Y	Y
5	13 <sup>th</sup> November, 2014	Resigned	Resigned	Resigned	Resigned	Y	Y	Y
6	13 <sup>th</sup> February, 2015	Resigned	Resigned	Resigned	Resigned	Y	Y	Y

Y-Attended N-NotAttended

The requisite quorum was present at the meetings.

Audit Committee Meetings are also attended by the Chairman, Managing Director, Executive Director, Chief Financial Officer and Company Secretary. The Company Secretary acts as the Secretary of the Audit Committee.

The Board of Directors has appointed M/s. Mukund M Chitale & Co., Chartered Accountants, as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The Audit Committee also assures the Board about the adequate internal control procedures and financial disclosures commensurate with the size of the Company and in conformity with the requirements of Listing Agreement of the stock exchanges.

### **3. Nomination & Remuneration Committee**

- a) The Nomination & Remuneration Committee is constituted on the following terms of reference:
- The Nomination and Remuneration Committee shall ensure that—
    - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
    - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - iii. Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
  - Recommend to the Board their appointment and removal,
  - Carry out evaluation of every director's performance.
  - Formulate the criteria for determining qualifications, positive attributes and independence of a director and
  - Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**b) Nomination & Remuneration Policy :**

The Nomination & 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. Manchi Venkat Raja Rao,(Chairman) (Inducted as member w.e.f.15th July,2014)
  - ii) Mr. Prakash Yashwant Gurav (Inducted as member w.e.f.15th July,2014)
  - iii) Mr. Anil Gopal Joshi(Inducted as member w.e.f.15th July,2014)
  - iv) Mr. Sevantilal Papatlal Shah (Resigned as member of Board & Committee w.e.f.16th July, 2014)
  - v) Mr. Ravi Gupta (Resigned as member of Board & Committee w.e.f.16th July, 2014)
  - vi) Mr. Sudhir Vadehra (Resigned as member of Board & Committee w.e.f.16th July, 2014)
- d) Nomination & Remuneration Committee Meetings were held on 15th July 2014 and 25th March 2015. The attendances of the members are as follows:-

Sr. No	Date of Committee Meeting	Attendance of Directors		
		Mr. M.V Rajarao	Mr. P.Y. Gurav	Mr. Anil G. Joshi
1	15 <sup>th</sup> July 2014	N	Y	Y
2	25 <sup>th</sup> March 2014	Y	Y	Y

Y-Attended N-NotAttended

- e) Sitting fees of ` 20000/- per meeting was paid to the directors for attending Board Meetings and ` 15000/- per meeting for attending Committee Meetings for the financial year 2014-15.

**4. Stakeholder Relationship and Investors' Grievance Committee**

Stakeholder Relationship Committee of the Board is responsible for addressing investors' or shareholders' or debenture holders' or other security holders' grievances including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Stakeholder Relationship Committee is constituted on the following terms of reference:

- 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.
- 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(Resigned as member of Board & Committee w.e.f.16th July,2014)
- ii) Mr. Kailash Gupta(Resigned as member of Board & Committee w.e.f.16th July,2014)
- iii) Mr. Ravi Gupta(Resigned as member of Board & Committee w.e.f.16th July,2014)
- iv) Mr. Anil Joshi- Chairman (Inducted as member w.e.f.15th July,2014)
- v) Mrs. Nandini Malpani (Inducted as member w.e.f.15th July,2014)
- vi) Mr. Prabhakar Dalal (Inducted as member w.e.f.15th July,2014)

**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.) Stakeholder Relationship Committee Meeting was held on 25th March 2015 in which the Chairman as well as all the members were present.**

**d.) Details of requests received and redressed during the year 2014-15:**

S.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	1	1	-
6	Non Receipt of Annual report	5	5	-
7	Non Receipt of Dividend Warrants	-	-	-
	Total	6	6	-

**5. Risk Management Committee**

a.) The Risk Management Committee is constituted on the following terms of reference:

The Risk Management Committee shall-

- Take care for risk assessment & risk minimization procedure,
- Responsible for framing, implementing and monitoring the risk management plan for the company
- Monitoring and review of the risk management plan to the committee and such other functions as board may determine from time to time.

b.) Risk Management Framework

The Risk Management Framework of the Company is directed towards to identify, monitor and minimize risks as also identify business opportunities.

c.) The committee consists of following directors:

- i) Mr. Anil Gopal Joshi (Chairman)(Inducted as member w.e.f.15th July,2014)
- ii) Mr. Manchi Venkat Raja Rao, (Inducted as member w.e.f.15th July,2014)
- iii) Mr. Prakash Yashwant Gurav (Inducted as member w.e.f.15th July,2014)

d.) Risk Management Committee Meeting was held on 25th March 2015 in which the Chairman as well as all the members were present.

**6. Corporate Social Responsibility (CSR) Committee**

a.) The Corporate Social Responsibility Committee is constituted on the following terms of reference:

The Corporate Social Responsibility Committee shall-

- Formulate and recommend to the board, a CSR POLICY
- Recommend the amount to be spent on these activities
- Monitor the company's CSR policy regularly
- Institution of transparent monitoring mechanism for the implementation of CSR projects

b.) The committee consists of following directors:

- iv) Mr. Anil Gopal Joshi (Chairman) (Inducted as member w.e.f.15th July,2014)
- v) Mr. Manchi Venkat Raja Rao (Inducted as member w.e.f.15th July,2014)
- vi) Mr. Prabhakar Dalal (Inducted as member w.e.f.15th July,2014)

c.) Corporate Social Responsibility Committee Meeting was held on 25th March 2015 in which the Chairman as well as all the members were present.

**7. Independent Directors Meeting:**

During the year under review, the Independent Directors met on 25th March, 2015, inter alia, to discuss:

- i) Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- ii) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the independent Directors were present at the meeting.

## 8. 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
28 <sup>th</sup> 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 <sup>th</sup> 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 Pvt Limited and Shivam Motors Pvt Limited in compliance of the order received from Central Government
29 <sup>th</sup> September, 2014	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	Resolution under Section 14 of the Companies Act 2013 and the Rules made thereunder to amend Articles of Association.

b.) **No Extra-Ordinary General Meeting was held in Financial Year 2014-15.**

c.) **Postal Ballots:**

No resolution was passed by postal ballot in the year 2014-15.

## 9. 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.) The Company has formulated & adopted formal Whistle Blower Policy, and all the possible measures are taken to abide by the policy. In addition to this 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.

#### 10. **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.

#### 11. **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](http://www.cebbco.com)

Managements' discussion and analysis forms part of the Annual Report

#### 12. **General Shareholder Information**

1. Number of Annual General Meeting : 35th Annual General Meeting
2. Date : 11th September 2015
3. Day : Friday
4. Time : 03.00 P.M.
5. Venue : Stock Exchange Auditorium,  
U P Stock Exchange Building,  
Padam Towers, Civil Lines,  
Kanpur - 208 003. (U.P.)
6. Financial Year : 2015-16

Particulars	Date
First Quarter Results	On or before August 14, 2015
Second Quarter Results	On or before November 14, 2015
Third Quarter Results	On or before February 14, 2016
Audited Annual Results	On or before May 30, 2016

7. Book Closure Date : From 8th September to 11th September 2015  
(Both dates included)
8. The shares of the Company have been listed on the BSE Ltd. Mumbai and the National Stock Exchange of India Limited w.e.f. October 18, 2010. The Listing fees for Financial Year 2015-16 to both these stock exchanges have 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 `	Low Price `	SENSEX Highest	SENSEX Lowest	High Price `	Low Price `	Nifty 50 Highest	Nifty 50 Lowest
1	April, 2014	15.07	10.79	22939.31	22197.51	15.30	10.55	6869.85	6650.40
2	May, 2014	20.84	12.25	25375.63	22277.04	20.70	11.90	7563.50	6638.55
3	June, 2014	25.25	16.55	25735.87	24270.20	25.00	16.60	7700.05	7239.50
4	July, 2014	24.35	17.15	26300.17	24892.00	24.35	17.50	7840.95	7422.15
5	August, 2014	19.40	14.55	26674.38	25232.82	19.30	14.50	7968.25	7540.10
6	September, 2014	23.15	15.30	27354.99	26220.49	23.20	15.35	8180.20	7841.80
7	October, 2014	21.00	18.20	27894.32	25910.77	21.10	18.40	8330.75	7723.85
8	November, 2014	21.55	17.95	28822.37	27739.56	21.60	17.85	8617.00	8290.25
9	December, 2014	24.35	17.10	28809.64	26469.42	24.75	18.45	8626.95	7961.35
10	January, 2015	29.40	20.15	29844.16	26776.12	29.35	20.30	8996.60	8065.45
11	February, 2015	27.90	22.45	29560.32	28044.49	27.95	20.00	8941.10	8470.50
12	March, 2015	23.50	16.55	30024.74	27248.45	24.00	16.50	9119.20	8269.15

### 13. Registrar and Share Transfer Agents

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

### 14. 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.

### 15. Shareholding Pattern as on 31.03.2015

S.No	Description	No. of Holders	Shares	% Equity
1.	PROMOTER INDIVIDUALS	3	27424670	49.91%
2.	RESIDENT INDIVIDUALS	10369	11550580	21.02%
3.	VENTURE CAPITAL FUND	1	6005401	10.93%
4.	BODIES CORPORATE	341	4145692	7.54%
5.	PROMOTER TRUST	3	3213443	5.85%
6.	MUTUAL FUNDS	2	1111592	2.02%
7.	H U F	349	635037	1.16%
8.	CLEARING MEMBERS	45	362861	0.66%
9.	NON RESIDENT INDIANS	138	274881	0.50%
10.	FOREIGN INSTITUTIONAL INVESTORS	2	191753	0.35%
11.	PROMOTERS BODIES CORPORATE	1	27054	0.05%
	Total:	11254	54942964	100.00

### 16. Distribution of Shareholding as of 31.03.2015:

Distribution Schedule - Consolidated as on 31 <sup>st</sup> March, 2015					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
upto 1 - 5000	8055	71.58	1380907	13809070	2.51%
5001- 10000	1407	12.50	1208216	12082160	2.20%
10001- 20000	686	6.10	1089407	10894070	1.98%
20001- 30000	253	2.25	660545	6605450	1.20%
30001- 40000	116	1.03	422471	4224710	0.77%
40001- 50000	165	1.47	786747	7867470	1.43%
50001- 100000	298	2.65	2175016	21750160	3.96%
100001& Above	274	2.42	47219655	472196550	85.94%
TOTAL	11254	100.00 %	54942964	549429640	100%

### 17. Dematerialization of Shares and Liquidity

**54,942,861 equity shares of the Company have been dematerialized as on 31st March, 2015.**

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: <a href="mailto:cs@cebbco.com">cs@cebbco.com</a> ; Website: <a href="http://www.cebbco.com">www.cebbco.com</a>
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: <a href="mailto:cs@cebbco.com">cs@cebbco.com</a> ; Website: <a href="http://www.cebbco.com">www.cebbco.com</a>

Place: Jabalpur

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Date: 21st May, 2015

**Mr. Anil Joshi**  
 Chairman  
 DIN: 0019927

## **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, President, Senior Officers and Company Secretary.

I Confirm that Company has in respect of the financial year ended March 31, 2015 received from the Board of Directors, Executive Vice presidents, 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](http://www.cebbco.com)

Place: Jabalpur

Date: March 31, 2015

**Mr. Anil Joshi**  
Chairman  
DIN: 0019927

## CEO & CFO CERTIFICATE

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Dated: 21/05/2015

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

Dear Sirs,

- a. This is to confirm that we have reviewed financial statements and the cash flow statement for the year 2014-15 and that to the best of our 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 our 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. We 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 We are aware and the steps have been taken or propose to take to rectify these deficiencies.
- d. We 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 except as disclosed in the notes to the financial statements; and
  - iii. That there are no instances of significant fraud of which we are 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.

**For Commercial Engineers & Body Builders Co Limited**

**Deepak Tiwary**  
Chief Executive Officer

**Ajeet Garde**  
Chief Financial Officer

## Auditors Certificate on Corporate Governance

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### To the Members of Commercial Engineers & Body Builders Co Limited

1. We have examined the compliance of conditions of Corporate Governance by Commercial Engineers & Body Builders Co Limited (the Company) for the year ended on 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges in India.
2. 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 compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, and to the best of our information and according to the explanations given to us and the representation made by the management we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We 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's Registration No. 117366W/W-100018)

Mumbai, dated: August 06, 2015

**Rupen K. Bhatt**  
Partner  
(Membership No. 46930)

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF COMMERCIAL ENGINEERS & BODY BUILDERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Commercial Engineers & Body Builders Co Limited (the Company), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate



in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2015, and its loss and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Rupen K. Bhatt**  
Partner  
(Membership No. 46930)

Mumbai, Dated: 21st May 2015

## **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) In respect of its fixed assets:
  - 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.
- (ii) In respect of its inventories:
  - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals, except for inventories lying with third parties where confirmations of inventories held by such third parties have been received.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) 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 the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and audit) Rules, 2014 prescribed by the Central

Government under Section 148 (1) of the Companies Act, 2013 are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Cess, and any other material statutory dues applicable to it with the appropriate authorities except for Entry Tax, 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, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Cess and any other material statutory dues in arrears, as at 31 March 2015 for a period of more than six months from the date they became payable except for Entry Tax, VAT and CST as follows;

<b>Period</b>	<b>Nature of the Dues</b>	<b>Amount (Rs.)</b>	<b>Due Date</b>	<b>Date of Payment</b>
2014-2015	Entry Tax	107,158	10- August-14	Not Yet Paid
2014-2015	Entry Tax	145,736	10-September-14	Not Yet Paid
2011-2012	Value Added Tax – Assessment dues	2,363,229	4-July-2014	Not Yet Paid
2011-2012	Central Sales Tax – Assessment dues	1,340,677	4-July-2014	Not Yet Paid

- (a) Details of dues of Income Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March 2015 on account of disputes are given below:

<b>Nature of the dues</b>	<b>Name of statute</b>	<b>Amount</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Sales Tax	Central Sales Tax Act, 1956	9.43	April 2007 to March 2008 and April 2010 to March 2011	Appellate Board, Bhopal
Central Sales Tax	Central Sales Tax Act, 1956	6.62	April, 2012 to March 2013	Additional Commissioner, Jabalpur
Excise Duty	Central Excise Act, 1944	3,913.43	April 2003 - October 2013	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	101.18	September 2013 to March 2014	Central Excise Commissioner, Jabalpur
Excise Duty	Central Excise Act, 1944	569.89	April 2009 - March 2014	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	4.10	August 2013 to February 2014	Central Excise Commissioner, Pithampur
Excise Duty	Central Excise Act, 1944	3.37	August 2013 to March 2014	Deputy Commissioner of Customs, Central Excise and Service Tax, Jabalpur
Excise Duty	Central Excise Act, 1944	500.38	December 2006 - March 2010	The Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Income Tax	Income Tax Act, 1956	15.93	April 2011- March 2012	Commissioner(appeal), Kanpur
MP Entry Tax	Entry Tax on goods purchased	22.24	April 2009-March 2010	Additional Commissioner, Jabalpur
Value Added Tax	MP Commercial Tax Act 1994	1498.44	April 2007-March 2012 & April 2012-March 2013	Additional Commissioner, Jabalpur

- (d) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (i) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ii) 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 facility and long-term loan from banks as on 31st March, 2015, are as follows:

Particulars	Due Date	Principle	Interest	Date of Payment
Vendor finance facility	05-Jun-13	169.96	34.43	Not Paid
Vendor finance facility	06-Jun-13	240.00	75.56	Not Paid
Vendor finance facility	09-Jul-13	14.00	4.21	Not Paid
Vendor finance facility	11-Jul-13	104.18	31.25	Not Paid
Vendor finance facility	29-Jul-13	134.27	39.30	Not Paid

- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

**Rupen K. Bhatt**  
Partner  
(Membership No. 46930)

Mumbai  
Dated: 21st May 2015

## Balance Sheet as at 31st March, 2015

(₹ in Lacs)

	Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	6,394.30	5,494.30
	(b) Reserves and surplus	4	4,868.32	15,122.93
			11,262.62	20,617.23
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	6,888.44	5,497.63
	(b) Deferred tax liabilities (net)	6	-	2,081.47
	(c) Other long-term liabilities	7	39.14	37.49
			6,927.58	7,616.59
<b>3.</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	4,934.36	6,630.49
	(b) Trade payables	9	4,823.11	3,241.12
	(c) Other current liabilities	10	4,002.00	3,722.32
	(d) Short-term provisions	11	323.45	517.92
			<b>14,082.92</b>	<b>14,111.85</b>
	<b>TOTAL</b>		<b>32,273.12</b>	<b>42,345.67</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	12		
	(i) Tangible assets		21,486.15	28,910.14
	(ii) Intangible assets		9.89	19.79
	(iii) Capital work-in-progress		1,381.78	1,426.24
			22,877.82	30,356.17
	(b) Non-current investments	13	0.10	0.10
	(c) Long-term loans and advances	14	521.99	530.35
	(d) Other non-current assets	15	1,016.75	0.24
			<b>24,416.66</b>	<b>30,886.86</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	16	1,656.85	3,762.33
	(b) Trade receivables	17	1,603.56	2,352.20
	(c) Cash and cash equivalents	18	468.83	1,130.18
	(d) Short-term loans and advances	19	3,747.65	3,910.17
	(e) Other current assets <sup>20</sup>		379.57	303.93
			7,856.46	11,458.81
	<b>TOTAL</b>		<b>32,273.12</b>	<b>42,345.67</b>

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

For and on behalf of the Board of Directors

**Rupen K. Bhatt**  
 Partner

**Anil Gopal Joshi**  
 Chairman

**P.Y. Gurav**  
 Director

**Deepak Tiwary**  
 Chief Executive Officer

**Ajeet V. Garde**  
 Chief Financial Officer

**Anurag Misra**  
 Company Secretary

**Place : Mumbai**  
**Date : May 21, 2015**

## Statement of Profit and Loss for the year ended 31st March, 2015

(` in Lacs)

	Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
I.	Revenue			
a	Revenue from operations (gross)	21	15,238.46	18,536.94
	Less: Excise duty		3,394.08	4,650.95
	Revenue from operations (net)		11,844.38	13,885.99
b	Other income	22	239.98	268.71
	<b>Total Revenue</b>		<b>12,084.36</b>	<b>14,154.70</b>
II.	<b>Expenses</b>			
(a)	Cost of materials consumed	23a	8,780.60	10,733.42
(b)	Changes in inventories of finished goods and work-in-progress	23b	1,713.10	2,392.91
(c)	Other Manufacturing Expenses	24	859.81	935.71
(d)	Employee benefits expense	25	852.62	1,051.69
(e)	Finance costs	26	2,157.39	1,909.59
(f)	Depreciation and amortisation expense	12	2,026.29	3,006.43
(g)	Other expenses	27	1,730.63	898.06
	<b>Total Expenses</b>		<b>18,120.44</b>	<b>20,927.81</b>
III.	<b>(Loss) before Exceptional Items and Tax</b>		<b>(6,036.08)</b>	<b>(6,773.11)</b>
IV.	<b>Exceptional Items</b>			
	Impairment of Assets	12	6,300.00	-
V.	<b>(Loss) before Tax (I-II-III-IV)</b>		<b>(12,336.08)</b>	<b>(6,773.11)</b>
VI.	<b>Tax expense:</b>			
(a)	Current tax		-	-
(b)	Deferred tax (net)		(2,081.47)	269.97
	<b>Total Tax Expense</b>		<b>(2,081.47)</b>	<b>269.97</b>
VII.	<b>(Loss) After Tax (V-VI)</b>		<b>(10,254.61)</b>	<b>(7,043.08)</b>
VIII.	<b>Earnings per share (of ` 10/- each):</b>			
	Basic and Diluted (in Rupees)			
	Before Exceptional Items		(7.20)	(12.82)
	After Exceptional Items		(18.66)	(12.82)

**See accompanying notes forming part of the financial statements.**

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

For and on behalf of the Board of Directors

**Rupen K. Bhatt**  
Partner

**Anil Gopal Joshi**  
Chairman

**P.Y. Gurav**  
Director

**Deepak Tiwary**  
Chief Executive Officer

**Ajeet V. Garde**  
Chief Financial Officer

**Anurag Misra**  
Company Secretary

**Place : Mumbai**  
Date : May 21, 2015



## Cash Flow Statement for the year ended 31st March, 2015

(` in Lacs)

	Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
<b>A</b>	<b>Cash Flow from operating activities</b>		
	<b>Net (Loss) before Tax</b>	<b>(12,336.08)</b>	<b>(6,773.11)</b>
	Depreciation	2,026.29	3,006.43
	Impairment of Assets	6,300.00	-
	Fixed assets written off	-	3.52
	Profit on Sale of Long-term (Non-current) Investments	-	(5.11)
	Provision for Doubtful debts/Advances	19.49	209.91
	Bad Debts/Advances written off	11.36	11.12
	Interest and Finance Charges	2,157.39	1,895.32
	Loss / (Profit) on Sale of Fixed Assets (Net)	2.53	(105.26)
	Interest Income	(63.83)	(95.97)
	Provision for Diminution in value of Investment written back	-	(15.75)
	Provision for Doubtful Debts/ Advances written back		
	Liabilities / provisions no longer required written back	(21.89)	(1.95)
	<b>Operating (Loss) before working capital changes</b>	<b>(1,904.74)</b>	<b>(1,870.85)</b>
	<b>Changes in working capital :</b>		
	Decrease in Inventories	2,105.48	2,938.97
	(Increase)/ Decrease in Trade and Other Receivable	(275.79)	12,769.28
	Increase/(Decrease) in Trade Payable and Other Liabilities	1,131.30	(6,725.95)
	Cash generated from operations	1,056.25	7,111.45
	Taxes Paid (Net of refund)	(171.29)	(48.21)
	<b>Net Cash from operating activities</b>	<b>884.96</b>	<b>7,063.24</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Interest Received	68.38	114.94
	Proceeds from Sale of Fixed assets	24.64	423.84
	Proceeds from Sale of Investments	-	80.79
	Purchase of Fixed Assets	(943.66)	(5,382.80)
	<b>Net Cash (used in) Investing activities</b>	<b>(850.64)</b>	<b>(4,763.23)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Issue of Non convertible redeemable Preference Shares (see note 4 below)	900.00	-
	Proceeds from Short Term Borrowings	1,903.95	1,899.25
	Repayment of Short Term Borrowings (see note 4 below)	(3,600.08)	(5,322.60)
	Proceeds from Long Term Borrowings	3,342.99	1,335.29
	Repayment of Long Term Borrowings	(1,242.18)	(630.65)
	Interest and Finance Charges Paid	(2,000.35)	(1,849.43)
	<b>Net Cash (used in) Financing Activities</b>	<b>(695.67)</b>	<b>(4,568.14)</b>
	Net (decrease) in cash and cash equivalents	(661.35)	(2,268.13)
	Cash and cash equivalents as on 31st March, 2014	1,130.18	3,398.31
	Cash and cash equivalents as on 31st March, 2015	468.83	1,130.18

**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, 2015 include following balances, use of which is restricted :
  - a) Balance in current account ` 95.18 lacs (previous year nil) which is under escrow with a lender.
  - b) Deposit receipts aggregating ` 273.90 Lacs (previous Year ` 1,036.53 Lacs) are under lien with bank against performance guarantee and credit facilities from bank.
  - c) Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to Nil (Previous Year ` 32.52 lacs).
- 3 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.
- 4 Unsecured loan of ` 800 lacs given by the promoter director has been adjusted against calls due on Non convertible cumulative redeemable preference shares issued to the promoter director during the year and accordingly reflected as cash flow under financing activities.

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

For and on behalf of the Board of Directors

**Rupen K. Bhatt**  
Partner

**Anil Gopal Joshi**  
Chairman

**P.Y. Gurav**  
Director

**Deepak Tiwary**  
Chief Executive Officer

**Ajeet V. Garde**  
Chief Financial Officer

**Anurag Misra**  
Company Secretary

**Place : Mumbai**  
Date : May 21, 2015

**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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

**(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) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Notes forming part of the financial statements

Depreciation on tangible fixed assets is provided over their useful life and in the manner prescribed in Schedule II to the Companies Act, 2013.

Leasehold land is amortized over the period of lease on pro rata basis.

Computer Software is amortized over the period of three years.

- ii) Depreciation on assets acquired/purchased during the year is provided on pro-rata basis from the date of each addition.
- iii) Assets having value of ` 5000/- or less are charged off fully in the year of purchase.

**(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 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 recognised when no significant uncertainty as to its determination or realisation 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.

Notes forming part of the financial statements

- 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 recognised as exchange difference and premium/discount on forward exchange contract is recognised 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 recognised in the profit and loss account.

**(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

## Notes forming part of the financial statements

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.

**(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

## Notes forming part of the financial statements

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 realise 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 recognised 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 :**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Notes forming part of the financial statements

**Note 3: Share Capital**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Authorised :</b>		
55,050,000 (75,000,000) Equity Shares of ₹ 10/- each	5,505.00	7,500.00
2,000,000 (5000) Preference Shares of ₹ 100/- each	2,000.00	5.00
	7,505.00	7,505.00
<b>Issued</b>		
54,942,964 Equity Shares of ₹ 10/- each	5,494.30	5,494.30
2,000,000 Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) of ₹ 100/- each (Previous year Nil)	2,000.00	-
	7,494.30	5,494.30
<b>Subscribed and Fully Paid-up :</b>		
54,942,964 Equity Shares of ₹ 10/- each	5,494.30	5,494.30
<b>Subscribed and Not Fully Paid-up :</b>		
2,000,000 Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) of ₹ 100/- each, ₹ 55 not paid-up	900.00	-
<b>Total</b>	<b>6,394.30</b>	<b>5,494.30</b>

**Notes:**

- All Equity Shares carry similar voting rights and have an equal right to dividend and in case of repayment of capital.
- Preference shares are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry preferential dividend of 0.0001% per annum. These are redeemable only on completion of 10 years from the date of allotment and are non-transferable unless fully paid-up.
- Reconciliation of the number of shares outstanding as at beginning and end of the year:



## Notes forming part of the financial statements

(` in Lacs)

Particulars	Opening Balance	Fresh Issue	Closing Balance
<b>Equity Shares</b>			
<b>Year ended 31 March, 2015</b>			
- Number of shares	54,942,964	-	54,942,964
- Amount (`) Lacs	5,494.30	-	5,494.30
<b>Year ended 31 March, 2014</b>			
- Number of shares	54,942,964	-	54,942,964
- Amount (`) Lacs	5,494.30	-	5,494.30

(` in Lacs)

Particulars	Opening Balance	Fresh Issue	Closing Balance
<b>Redeemable Preference Shares</b>			
<b>Year ended 31 March, 2015</b>			
- Number of shares	-	2,000,000	2,000,000
- Amount (`) Lacs	-	900.00	900.00
<b>Year ended 31 March, 2014</b>			
- Number of shares	-	-	-
- Amount (`) Lacs	-	-	-

(` in Lacs)

Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	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%	23,927,050	43.55%
Mrs. Nandini Malpani (on behalf of Jashn Beneficiary Trust)	3,213,443	5.85%	3,213,443	5.85%
Mrs. Rekha Gupta	3,439,590	6.26%	3,439,590	6.26%
Tata Capital Growth Fund (I)	6,005,401	10.93%	6,005,401	10.93%

**Note:** The NCRPS have been fully allotted during the year, jointly to the promoters (Dr. Kailash Gupta and Mrs. Rekha Gupta).

**e) 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.

**f) Details of calls unpaid :**

The NCRPS have been issued on partly paid basis with last call falling due on December 31, 2015 when it will become fully paid-up.

Notes forming part of the financial statements

**Note 4: Reserves and Surplus**

(₹ in Lacs)

	Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
(a)	<b>Capital Reserve</b> As per Last Balance Sheet		8.72	8.72
(b)	<b>Securities Premium Account</b> As per Last Balance Sheet		12,837.80	12,837.80
(c)	<b>General Reserve</b> As per Last Balance Sheet		9.80	9.80
(d)	<b>Balance in Statement of Profit and Loss</b> Opening Balance		2,266.61	9,052.57
	Add: (Loss) for the year		(10,254.61)	(7,043.08)
	Add : Reversal of proposed dividend to equity share holders (Refer Note 45)		-	219.78
	Add : Reversal of Tax on dividend (Refer Note 45)		-	37.35
	Closing balance		(7,988.00)	2,266.61
	<b>Total</b>		<b>4,868.32</b>	<b>15,122.93</b>

**Note 5: Long-term Borrowings**

(₹ in Lacs)

	Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
	<b>Secured</b>			
a)	From Banks			
	Corporate Loan		1,700.00	1,150.00
	Rupee Term Loan		1,625.00	-
	External Commercial Borrowing (ECB)		3,105.45	4,347.63
b)	From Others			
	Term Loan		457.99	-
	<b>Total</b>		<b>6,888.44</b>	<b>5,497.63</b>

**i) Nature of Security**
**a) Corporate Loan is secured by: -**

**Primary Security-** Equitable mortgage on certain properties of group concerns and director.

**Collateral Security -**

- Subservient charge without NOC on entire fixed assets of the company, present and future.
- Pledge of 26.74% shareholding of the promoters in the company.

Notes forming part of the financial statements

3. Personal guarantees 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.

**c) RupeeTerm Loan: -**

**Primary Security :-** Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richahai, Jabalpur and factory land and building situated at Jamshedpur.

**Collateral Security:** - Pari passu second charge on the entire current assets of the company, both present and future.

**Guarantee: -**

Personal guarantee of Mr.Kailash Gupta, Mrs. Rekha Gupta and Mrs. Nandani Malpani.

**d) Term Loan from Other : -**

**Primary Security:** - First pari passu charge Bank on below mentioned fixed assets

1. Factory land and building at Jamshedpur unit
2. Factory land and building Richhai

and second pari passu charge on all fixed assets of the company.

**Collateral Security:** - Pledge of 10,313,443 unencumbered shares of the Company held by Jashn Beneficiary Trust and Mr. Kailash Gupta.

**Guarantee: -**

1. Irrevocable and unconditional personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta
2. Irrevocable and unconditional personal guarantee of Mrs. Nandani Malpani to the extent value of shares (3,213,443 nos.)

## Notes forming part of the financial statements

3. Irrevocable and unconditional corporate guarantee of Jashn Beneficiary Trust

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. 13th December, 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 17th February, 2012 and carries variable interest rate @ 6 months LIBOR + 3.50 bps margin

c) **Rupee Term Loan: -**

in 21 unequal monthly installment starting from 31st December, 2016 as under :-

1st - 3rd Installment ` 333 lacs each

4th -15th Installment ` 100 lacs each

16th - 21st Installment ` 200 lacs each

And it carries interest rate of 14.15% p.a.

d) **Term Loan from Other: -**

"Interest - it carries interest rate of 14.50% p.a. to be paid on monthly basis till maturity."Principal - 6 month moratorium starts from date of first tranche Disbursement made in various installments from 16th December, 2014 to 25th February, 2015, thereafter payable in a structured manner as mentioned below."

1. Next 6 months : ` 25 lacs per month
2. Next 12 months : ` 41.67 lacs per month
3. Next 12 months : ` 50 lacs per month

Notes forming part of the financial statements

**Note 6: Deferred Tax Liability (Net)**

(` in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Tax effect of items constituting deferred tax liability On difference between book balance (including impairment) and tax balance of fixed assets	725.60	2,474.11
	725.60	2,474.11
Tax effect of items constituting deferred tax assets Provision for doubtful debts and advances	398.67	392.64
Unabsorbed depreciation carried forward	326.93	-
	725.60	392.64
<b>Total</b>	<b>-</b>	<b>2,081.47</b>

**"Note:** "The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax. Remaining deferred tax assets on account of carried forward tax losses and unabsorbed depreciation have not been recognised in the absence of virtual certainty."

**Note 7: Other Long-term Liabilities**

(` in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Security Deposits Received	39.14	37.49
<b>Total</b>	<b>39.14</b>	<b>37.49</b>

**Note 8: Short-Term Borrowings**

(` in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Secured</b>		
a) From Banks		
Cash Credit Facilities	2,499.05	3,203.06
Working Capital Loans	662.42	662.42
Short Term Loan	183.76	185.76
Bank Overdraft Facility	-	699.08
<b>Unsecured</b>		
a) From Banks		
Working Capital Loans	949.62	-
b) From Others		
Loans and Advances from Related Parties (Refer Note 35)	147.40	1,042.00
Short Term loans from Companies	492.11	838.17
<b>Total</b>	<b>4,934.36</b>	<b>6,630.49</b>

Notes forming part of the financial statements

**(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)
    - 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 was secured against Term Deposit Receipts.

- (ii) The Company has defaulted in repayment of loans and interest in respect of the following: (Refer Note 40)

(` in Lacs)

Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Period of default	Amount	Period of default	Amount
<b>Working capital loans</b>				
Principal	611 - 665 Days	662.41	246 - 300 Days	662.41
Interest	611 - 665 Days	184.75	246 - 300 Days	82.08
<b>Short term loan from Company</b>				
Principal	182 Days	150.00	-	-

Notes forming part of the financial statements

**Note 9: Trade Payables**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 32)	9.08	7.07
Total outstanding of other than Micro Enterprises and Small Enterprises	4,814.03	3,234.05
<b>Total</b>	<b>4,823.11</b>	<b>3,241.12</b>

**Note 10: Other Current Liabilities**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of long-term debt (Refer Note (i) below)	2,152.18	1,442.18
(b) Interest accrued but not due on borrowings	35.11	58.05
(c) Interest accrued but not due on forward currency contract	39.35	28.22
(d) Interest accrued and due on borrowing	257.79	82.08
(e) Other payables	-	-
(i) Statutory Liabilities	327.96	223.18
(ii) Payables on purchase of fixed assets	135.66	225.46
(iii) Interest on Statutory Payments	17.30	24.16
(iv) Advances from customers	442.95	31.41
(v) Unutilized Cenvat Payable	593.70	1,607.58
<b>Total</b>	<b>4,002.00</b>	<b>3,722.32</b>

**Note (i):** Current maturities of long-term debt (Refer Notes 5 (i)(a), (b) and (d) for details of securities for Corporate Loan, ECB Loan and Term Loan from others):

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Secured</b>		
<b>From Banks</b>		
Corporate Loan	800.00	200.00
External Commercial Borrowing	1,242.18	1,242.18
<b>From Others</b>		
Term Loan	110.00	-
<b>Total</b>	<b>2,152.18</b>	<b>1,442.18</b>

**Note 11: Short-term Provisions**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>(a) Provision for Employee Benefits:</b>		
(i) Provision for Compensated Absences	34.92	31.73
(ii) Provision for Gratuity (Refer Note 33(b))	29.37	9.23
	64.29	40.96
<b>(b) Other Provisions</b>		
(i) Provision for Income-tax (Net of Advance Tax)	259.16	476.96
<b>Total</b>	<b>323.45</b>	<b>517.92</b>





Notes forming part of the financial statements

**Note 13: Non-current Investments**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Other Investments (at Cost unless stated otherwise)		
Investment in Equity Shares of Associates (Unquoted) 1,000 Equity Share of Kailash Motors Pvt. Ltd. of ₹ 10/- each fully Paid-up	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>

## 1) Aggregate Amount of Un-quoted investments

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Cost	0.10	0.10

**Note 14: Long-term Loans and Advances**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Capital advances	17.95	39.21
Security deposits	114.17	101.27
MAT credit entitlement	389.87	389.87
<b>Total</b>	<b>521.99</b>	<b>530.35</b>

**Note 15: Other Non-current Assets**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Security Deposits/Earnest Money Deposits	32.93	-
(b) Prepaid Expenses	65.70	0.24
(c) Long Term Trade Receivables	918.12	-
<b>Total</b>	<b>1,016.75</b>	<b>0.24</b>

## Notes forming part of the financial statements

**Note 16: Inventories**

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Raw materials	656.87	1,040.01
Work-in-progress	889.16	2,608.60
Stores and spares	93.21	102.45
Scrap	17.61	11.27
<b>Total</b>	<b>1,656.85</b>	<b>3,762.33</b>

**Note 17: Trade Receivables**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	189.20	82.46
Unsecured, considered doubtful	227.18	207.69
	416.38	290.15
<b>Other Trade receivables</b>		
Unsecured, considered good	1,414.36	2,269.74
	1,830.74	2,559.89
Less: Provision	227.18	207.69
<b>Total</b>	<b>1,603.56</b>	<b>2,352.20</b>

Note: Trade Receivables include amounts due from:

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Firms/Companies in which any Director is a Partner/Director:		
J.N. Auto Limited	13.35	13.35
Commercial Motors Sales Pvt Ltd.	1.83	-
<b>Total</b>	<b>15.18</b>	<b>13.35</b>

**Note 18: Cash and Cash Equivalents**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Cash on hand	8.08	1.82
(b) Balances with banks		
(i) In Current Accounts	186.85	59.31
(ii) In Term Deposit Accounts	273.90	1,069.05
<b>Total</b>	<b>468.83</b>	<b>1,130.18</b>

Notes forming part of the financial statements

**Notes: -**

1. Deposit receipts aggregating to ` 273.90 Lacs (previous Year ` 1036.53 Lacs) are under lien with bank against performance guarantee and credit facilities from bank .
2. Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to Nil (Previous Year ` 32.52 lacs)
3. Balance in current account includes ` 95.18 lacs (previous year nil) which is under escrow with a lender.

**Note 19: Short-term Loans and Advances**

(` in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Unsecured, Considered Goods</b>		
Loan to Employees	9.72	7.04
Advances to Suppliers	151.20	104.66
Prepaid Expenses	64.78	18.85
Balances with Government Authorities	2,017.14	2,459.92
Advance Income-tax (Net of Provisions)	53.37	99.88
Excise duty refund claim (Refer Note 46)	259.17	259.17
Statutory Dues paid under Protest (Refer Note 29)	1,191.76	959.71
<b>Others</b>		
Accrued Income	0.51	0.94
	<b>3,747.65</b>	<b>3,910.17</b>
<b>Unsecured, considered Doubtful</b>		
Inter-corporate deposits (Refer Note 39)	1,000.00	1,000.00
Provident Fund Receivable	63.00	63.00
	1,063.00	1,063.00
Less: Provision	1,063.00	1,063.00
	-	-
<b>Total</b>	<b>3,747.65</b>	<b>3,910.17</b>

**Note 20: Other current assets**

(` in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Interest accrued but not due on bank deposits	11.78	16.33
Security deposits	367.79	287.60
<b>Total</b>	<b>379.57</b>	<b>303.93</b>

Notes forming part of the financial statements

**Note 21: Revenue from Operations**

(₹ in Lacs)

Particulars	As at 31st March 2015	As at 31st March 2014
Sale of Manufactured Goods (Refer Note (i) below)	14,399.16	17,775.04
Sale of Services (Refer Note (ii) below)	70.94	32.41
Other Operating Revenues (Refer Note (iii) below)	768.36	729.49
	<b>15,238.46</b>	<b>18,536.94</b>
<b>Less:</b>		
Excise duty	3,394.08	4,650.95
<b>Total</b>	<b>11,844.38</b>	<b>13,885.99</b>

**Note:**
**(i) Sale of Manufactured Goods:**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Sale of Built Bodies	13,485.00	15,924.59
Other Component Sales	914.16	1,850.45
<b>Total</b>	<b>14,399.16</b>	<b>17,775.04</b>

**(ii) Sale of Services**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Job Work Charges	70.94	32.41
<b>Total</b>	<b>70.94</b>	<b>32.41</b>

**(iii) Other Operating Revenues:**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Sale of Scrap	627.19	711.36
Sales Tax Incentive Received	132.82	-
Income from Transportation	8.35	18.13
<b>Total</b>	<b>768.36</b>	<b>729.49</b>

**Note 22: Other Income**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Interest Income (Refer Note (i) below)	63.83	95.97
Other non-operating income (Refer Note (ii) below)	176.15	172.74
<b>Total</b>	<b>239.98</b>	<b>268.71</b>

Notes forming part of the financial statements

**Note: -**
**i) Interest Income comprises of:**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Interest on bank deposits	61.30	91.73
Interest on other deposits	2.53	4.24
<b>Total</b>	<b>63.83</b>	<b>95.97</b>

**ii) Other Non-operating Income comprises of:**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Rental income	0.77	0.78
Profit on sale of fixed assets (net)	4.54	105.26
Liabilities / provisions no longer required written back	21.89	1.95
Provision for Diminution in value of Investment written back	-	15.75
Profit on sale of investments	-	5.11
Other Scrap Sale	111.30	-
Exchange rate fluctuations (net)	-	9.56
Discount received	0.35	8.08
Miscellaneous income	37.30	26.25
<b>Total</b>	<b>176.15</b>	<b>172.74</b>

**Note 23a: Cost of Materials Consumed**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Opening stock	1,142.45	1,688.51
Add: Purchases	8,712.96	10,524.09
Less: Sale of Raw Material	324.73	336.72
	<b>9,530.68</b>	<b>11,875.88</b>
Less: Closing stock	750.08	1,142.46
<b>Cost of Material Consumed</b>	<b>8,780.60</b>	<b>10,733.42</b>
Material consumed comprises:		
Iron and Steel (Sheets and Components)	5,677.40	7,437.61
Hydraulic Jacks	1,762.62	1,954.68
Other items	1,340.58	1,341.13
<b>Total</b>	<b>8,780.60</b>	<b>10,733.42</b>

Notes forming part of the financial statements

**Note 23b: Changes in Inventories of Finished Goods and Work-in-Progress** (₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
<b><u>Inventories at the end of the year:</u></b>		
Work-in-progress	889.16	2,608.60
Scrap	17.61	11.27
	<b>906.77</b>	<b>2,619.87</b>
<b><u>Inventories at the beginning of the year:</u></b>		
Work-in-progress	2,608.60	4,992.08
Scrap	11.27	20.70
	2,619.87	5,012.78
<b>Net decrease / (increase)</b>	<b>1,713.10</b>	<b>2,392.91</b>

**Note:** Work-in-progress mainly consists of Iron and Steel Components used in manufacture of Built Bodies.

**Note 24: Other Manufacturing Expenses** (₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Labour charges	526.06	531.12
Power and fuel	184.52	196.17
Entry Tax	29.51	27.22
<b><u>Repairs and Maintenance :</u></b>		
Machinery	18.54	27.07
Buildings	3.41	4.24
Others	37.81	34.60
Excise duty	59.96	115.29
<b>Total</b>	<b>859.81</b>	<b>935.71</b>

**Note 25: Employee Benefits Expense** (₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Salaries and wages	751.99	946.06
Contributions to provident and other funds	36.50	43.69
Staff welfare expenses	64.13	61.94
<b>Total</b>	<b>852.62</b>	<b>1,051.69</b>

**Note 26: Finance Costs** (₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Interest expense on:		
(i) On Borrowings	1,704.34	1,520.56
(ii) On Bill Discounting	55.12	84.94

## Notes forming part of the financial statements

(iii) Others		
-On Letter of Credit	5.45	8.74
-On Statutory Payments	350.00	58.09
-To Others	21.00	120.56
	2,135.91	1,792.89
(b) Other borrowing costs		
Expenses for loan arrangement, bill discounting and bank charges	21.48	116.70
	21.48	116.70
<b>Total</b>	<b>2,157.39</b>	<b>1,909.59</b>

**Note 27: Other Expenses**

(₹ in Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Rent Including Lease Rental	119.32	32.49
Entry Tax (Note 42)	547.89	-
Insurance	23.36	30.55
Rates and Taxes	233.83	18.24
Postage and Telephone Expenses	13.95	14.12
Travelling and conveyance	59.46	74.19
Vehicle Running Expenses	18.05	26.10
Printing and stationery	5.26	9.12
Freight Charges	64.39	82.32
Discount given	78.38	55.89
Sales Expenses	284.30	49.79
Security Charges	54.39	55.04
Donation	0.08	0.23
Legal and professional fees	101.88	153.10
Director Sitting Expense	7.55	-
Filing Fees	0.06	0.06
Fixed Assets written off	-	3.52
Advances written off	-	3.04
Less : Adjusted against provision	-	(0.50)
	-	2.54
Provision for doubtful Debts/Advances	19.49	209.91
Bad debts written off	11.36	8.58
Miscellaneous Expenses*	87.63	72.27
<b>Total</b>	<b>1,730.63</b>	<b>898.06</b>

\*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, 2015	For the Year Ended 31st March, 2014
Audit Fees - Statutory audit	16.50	16.50
Out of Pocket Expenses	0.82	0.43
Any other matters (Certification etc.)	1.50	2.10
<b>Total</b>	<b>18.82</b>	<b>19.03</b>

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 2015 aggregate ₹ 116.10Lacs (Previous Year - ₹ 1343.58Lacs).

### Note 29: Contingent liabilities

(₹ in Lacs)

Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
a)	Disputed demands of following authorities :		
(i)	Income-tax	15.93	126.93
(ii)	Excise duty related to Rule10A matter (see note below)	–	–
(iii)	Other Excise duty & Service Tax Matter (₹ 12.83Lacs (Previous Year ₹ 8.67 Lacs) paid under protest)	2520.38	2481.43
(iv)	Sales tax/ Entry Tax (₹ 48.06Lacs ( Previous Year ₹ 55.11 Lacs) paid under protest) (The Company has contested all the above demands before various authorities and is hopeful of success in the respective matters)	1584.32	199.91
b)	Claims against the Company not acknowledged as debt	24.63	-
	<b>Total</b>	<b>4145.26</b>	<b>2808.27</b>

#### Note:

Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has started paying differential Excise Duty on behalf of customer on sales made to them since September' 2010 under protest. The Excise department has issued demand notices in respect of this matter aggregating ₹ 3016.95 lacs (previous year ₹ 2910.91 Lacs) for the period up to 31st March, 2009. The aggregate of total payment made under protest up to the year-end is ₹ 1130.87 Lacs (Previous year - ₹ 895.92Lacs).

Since, the liability, if any in this regard is recoverable from the customer, there will be no impact on Statement of Profit and Loss as a consequence of the outcome of this case.



**Note 30 :**

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

(₹ In Lacs)

Sr.	Particular	31st March, 2015	31st March, 2014
1.	Lease rent for Factory Land	5.06	5.06

Future Minimum Lease Payments under Non-Cancellable Operating Lease :

(₹ In Lacs)

	Particular	31st March, 2015	31st March, 2014
	Due not later than one year	5.06	5.06
	Due later than one year and not later than five year	20.23	20.23
	Due later than five year	91.04	96.10

**Note 31 :**

A) Expenditure in foreign currency

(₹ In Lacs)

Particular	31st March, 2015	31st March, 2014
Professional and Consultancy fees	2.80	0.02
Interest on ECB Loan	561.37	619.99
<b>Total</b>	<b>564.17</b>	<b>620.01</b>

B) Value of material consumed including stores and spares

(₹ In Lacs)

Particular	31st March, 2015	31st March, 2014
Imported	-	7.16
Indigenous	8780.60	10,726.26
<b>Total</b>	<b>8780.60</b>	<b>10733.42</b>

**Note 32 :**

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 - ` 9.08Lacs (Previous Year ` 7.07 Lacs)
  - Interest- ` 18.18Lacs (Previous Year ` 16.39 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 - ` 1.79 Lacs (Previous Year ` 1.21Lacs)
- iv) Amount of interest accrued and remaining unpaid as at the year-end - ` 18.18 Lacs (Previous Year ` 16.39Lacs)
- v) Amount of interest due and payable on previous year's outstanding amount ` 16.39Lacs. (Previous Year ` 15.18Lacs)

**Note 33 :**

- (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 ` 31.50Lacs (Previous year ` 32.96Lacs).

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 :

**Amount recognized in Balance sheet**

(` In Lacs)

Particulars	31st March, 2015	31st March, 2014
Present Value of Funded Obligations	136.08	132.12
Fair Value of Plan Assets	(106.71)	(131.88)
<b>Net Liability</b>	<b>29.37</b>	<b>0.23</b>
Amounts in the Balance Sheet		
Liabilities	29.37	0.23
Assets	-	-
<b>Net Liability/(Asset)(Refer Note below)</b>	<b>29.37</b>	<b>0.23</b>

**Note :** Net Liability recognized in Balance Sheet for the previous year stands at ` 9.23Lacs as the company had made an additional provision of ` 9.00Lacs in the books based on contribution demand notice received from LIC towards shortfall in the plan assets as at the year-end which has been paid during the current year.

**Expense recognized in Statement of Profit and Loss Account**

(` In Lacs)

Particulars	31st March, 2015	31st March, 2014
Current Service Cost	14.15	18.19
Interest on Defined Benefit Obligation	13.32	13.14
Expected Return on Plan Assets	(9.98)	(9.47)
Net Actuarial Losses / (Gains) Recognized in year	22.37	(20.98)
<b>Total, included in "Employee Benefit Expense"</b> *	<b>39.87</b>	<b>0.88</b>

\* Refer Note above

**Reconciliation of Benefit Obligations and Plan Assets for the period**

(₹ In Lacs)

Particulars	31st March, 2015	31st March, 2014
<b>Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	132.12	147.64
Current Service Cost	14.15	18.19
Interest Cost	13.32	13.14
Actuarial Losses / (Gain)	28.42	(18.58)
Benefits paid	(51.92)	(28.28)
Closing Defined Benefit Obligation	136.09	132.11
<b>Change in the Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	131.88	123.87
Expected Return on Plan Asset	9.98	9.47
Actuarial Gain / (Losses)	6.04	2.40
Contributions by Employer	10.73	24.43
Benefits paid	(51.92)	(28.28)
<b>Closing Fair Value of Plan Assets</b>	<b>106.71</b>	<b>131.88</b>

**Assumptions :**

Particulars	31st March, 2015	31st March, 2014
Discount Rate (p.a.)	7.90%	9.35%
Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	7.00%	7.00%

**Experience Adjustments:**

(₹ in Lacs)

Particulars	31st March 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
Defined benefit/obligation	136.08	132.12	147.64	130.11	122.19
Plan Assets	106.71	131.88	123.87	121.29	110.32
Surplus/Deficit	(29.37)	(0.23)	(23.78)	(8.83)	(11.87)
Experience Adjustment on Plan Liabilities	8.88	0.78	(6.21)	(16.37)	4.29
Experience Adjustment on Plan Assets	6.04	2.40	6.22	(8.41)	5.23

**Note 34:**

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).

**Note 35:**

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	Director having significant influence through voting power (Key Management Personnel till 15th July, 2014)
2	Mr. Deepak Tiwary	Key Management Personnel
3	Commercial Auto Centre	Enterprises over which Director with significant influence and their relatives are able to exercise significant influence.
4	Commercial Automobiles Private Limited	
5	Commercial Body Builders	
6	Commercial Motors	

7	Commercial Toyota
8	Kailash Traders
9	Commercial Motors Sales P. Ltd.
10	Shivam Motors Private Limited
11	Anubha Engineering Limited
12	Kailash Infratech Private Limited
13	Commercial Installments
14	Shubham Multi Services Private Limited
15	J.N. Auto Limited (Unit Rekha Engineering)
16	Jai Narayan Charitable Trust
17	Kailash Motors
18	Jashn Beneficiary Trust
19	Commercial Motors (Dehradun) P. Ltd.
20	Kailash Motors Private Limited

**b) Transactions with Related parties**

(₹ In Lacs)

Sr. No.	Particulars	Enterprises over which director with significant voting power and their relatives are able to exercise significant influence	Director having significant influence through voting power	Key Management Personnel	Total
1	Remuneration paid (including sitting fees)	- (-)	0.80	50.00 (93.83)	50.80 (93.83)
2	Purchase of Capital goods	4.08 (7.92)	(-)	-	4.08 (7.92)
3	Purchase of Raw Materials	5.38 (35.45)		- (-)	5.38 (35.45)
4	Miscellaneous Income	0.13 (0.78)		- (-)	0.13 (0.78)
5	Sale of raw material	2.26 (71.20)		- (-)	2.26 (71.20)

6	Sale of Finished Goods	43.62 (900.82)		- (-)	43.62 (900.82)
7	Sale of Investment	- (-)	- (62.92)	- (-)	- (62.92)
8	Reimbursement of Expenses - paid	4.94 (5.46)		- (-)	4.94 (5.46)
9	Reimbursement of Expenses - received	0.80 (0.34)		- (-)	0.80 (0.34)
10	Advance given against purchases	- (278.52)		- (-)	- (278.52)
11	Advance received back	- (272.65)		- (-)	- (272.65)
12	Loan Taken	- (250.00)	272.40 (1042.00)		272.40 (1292.00)
13	Advance Taken against sale of goods	64.85 (1499.96)		- (-)	64.85 (1499.96)
14	Repayment of Advance Taken against sale of	51.85 (1309.18)		- (-)	51.85 (1309.18)
15	Repayment of Loan Taken	- (780.00)	1167.00 (-)		1167.00 (780.00)
16	Sale of Capital goods	- (407.01)		- (-)	- (407.01)
17	Issue of Non-convertible redeemable Preference shares -	- (-)	900.00 (-)		900.00 (-)

**Note :**

As at 31st March, 2015, Dr. Kailash Gupta alongwith other promoters have pledged 30,580,083 equity shares (99.73% of promoter's shareholding) 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 Directors and their relatives are able to exercise significant influence and in excess of 10% of total related party transactions are as under:

(₹ in Lacs)

Sr. No.	Transaction	31st March, 2015	31st March, 2014
1.	<u>Sale of Raw Material</u> Commercial Automobiles Pvt. Ltd. J.N. Auto Limited Shivam Motors Pvt. Ltd.	0.08 - 2.18	0.33 10.17 56.79
2.	<u>Remuneration Paid</u> Mr. Kailash Gupta (Director Sitting Fees) Mr. Deepak Tiwary	0.80 50.00	48.00 45.83
3.	<u>Miscellaneous Income</u> Commercial Automobiles Pvt. Ltd.	0.13	0.78
4.	<u>Purchase of Raw Material</u> Commercial Automobiles Pvt. Ltd. J.N. Auto Limited Shivam Motors Pvt. Ltd.	- - 5.38	1.03 4.10 3.36
5.	<u>Reimbursement of Expenses - paid</u> Commercial Automobiles Pvt. Ltd. Kailash Motors Commercial Motors Sales Pvt. Ltd. Shivam Motors Pvt. Ltd.	3.12 0.61 0.91 0.30	4.18 0.56 0.27 0.20
6.	<u>Reimbursement of Expenses - received</u> J.N. Auto Limited Shivam Motors Pvt. Ltd. Kailash Motors Commercial Automobiles Pvt. Ltd.	- 0.01 0.01 0.78	0.16 - - -
7.	<u>Advance given against purchases</u> Shivam Motors Private Limited Commercial Automobiles Pvt. Ltd. J.N. Auto Limited	- - -	150.00 10.15 118.37
8.	<u>Advance received back</u> Shivam Motors Private Limited Commercial Automobiles Pvt. Ltd. J.N. Auto Limited	- - -	150.00 9.65 113.00
9.	<u>Loan taken</u> Jashn Beneficiary Trust Kailash Gupta	- 272.40	50.00 1,042.00
10.	<u>Repayment of Loan taken</u> Jashn Beneficiary Trust Kailash Gupta	- 1167.00	580.00 -



11.	<u>Advance taken against sale of goods</u> Commercial Automobiles Pvt. Ltd. Shivam Motors Pvt. Ltd.	- 64.85	1449.45 50.51
12.	<u>Repayment of advance taken</u> Commercial Automobiles Pvt. Ltd. Shivam Motors Pvt. Ltd.	- 51.85	1290.62 18.56
13.	<u>Purchase of capital goods</u> Commercial Automobiles Pvt. Ltd. J.N. Auto Limited	4.08 -	- 7.92
14.	<u>Sale of finished goods</u> Shivam Motors Private Ltd. Commercial Automobiles Pvt. Ltd. Commercial Motors Pvt. Ltd.	- 43.62 -	286.50 608.95 0.24
15.	<u>Sale of Capital Goods</u> J.N. Auto Limited Shivam Motors Pvt. Ltd.	- -	7.01 400.00
16.	<u>Sale of Investments</u> Kailash Gupta	-	62.92
17.	<u>Issue of Non-convertible Redeemable Preference Shares</u> Dr. Kailash Gupta	900.00	-

**c) Closing Balances**

( ` inLacs)

Sr. No.	Particulars	Enterprises over which director with significant voting power and their relatives are able to exercise significant influence	Director having significant influence thought voting power	Key Management Personnel	Total
1.	Receivables	15.18 (16.08)	- -	- -	15.18 (16.08)
2.	Payables	208.91 (202.57)	- (-)	- (-)	208.91 (202.57)
3.	Loan taken	- (-)	147.40 ( 1042.00)	- (-)	147.40 (1042.00)
4.	Investments	0.10 (0.10)	- (-)	- (-)	0.10 (0.10)

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

**Note 36 :**
**Foreign Currency Balances**
**a) Derivatives**
**Outstanding derivatives:**

	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	₹ in Lacs		In Foreign Currency	
For ECB Loan Principal only Swap	4347.63	5589.81	USD 8.4mn	USD 10.8mn

- 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 :

Amounts payable in foreign currency on account of the following :

	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
	₹ in Lacs		In Foreign Currency	
Interest on ECB Loan	30.35	37.78	USD 0.05mn	USD 0.06mn

- d) Exchange Gain/ (Loss) (net) accounted during the year :

(₹ in Lacs)

Particulars	31st March, 2015	31st March, 2014
On conversion of ECB loan liabilities from USD to INR value	-	9.56

**Note 37 :**

Earnings per Share are calculated as follows:

(₹ in Lacs)

Particulars	31st March, 2015	31st March, 2014
a. Net (loss) available for distribution to equity shareholders	(10,254.61)	(7,043.08)
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 (Before Exceptional Items):		
Basic and Diluted (in ₹)	(7.20)	(12.82)
e. (Loss)/ earnings per share (After Exceptional Items)	(18.66)	(12.82)
Items : Basic and Diluted (in ₹)	(18.66)	(12.82)

**Note 38 :**

Loans and Advances in the nature of Loans due from related parties (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, 2015	31st March, 2014
<b>Others (Interest-free loans with no repayment schedule)</b>		
Employees	9.72	7.04
Maximum balance outstanding at any time during the year	15.70	49.85

**Note 39 :**

"Long Term Loans and Advances" include Inter corporate deposits (ICD) of ` 1000 Lacs given to two Companies in an earlier year and which are outstanding as on 31st March 2015. These amounts have been fully provided for in an earlier year. The Company has, during the year filed a legal suit for recovery of the same (along with accumulated interest thereon). The suit is pending for admission before the relevant Court in Jabalpur.

**Note 40 :**

In respect of recall/closure facility notice received from a bank in the previous year, in respect of outstanding fund-based credit facility availed by the Company of ` 662.41 Lacs with interest thereon which is still outstanding as on 31st March, 2015, the bank has subsequent to the year-end invoked the pledge of shares given as collateral by the promoters. The Company is in the process of negotiating with bank for resolution of the matter.

**Note 41 :**

During the recent past, there has been a significant reduction in volumes mainly due to general economic slowdown. The Company has reviewed future business scenario. While the Company expects a revival in the economy in the foreseeable future, the Company has decided to rationalize the operations in order to optimize costs. Consequently and as required by the Accounting Standard (AS) 28 "Impairment of Assets", the Company has provided for impairment of ` 6300 Lacs in the value of its plant & machinery relating to the cash generating unit located in a particular region based on the assessment of its "value in use" with a weighted average cost of capital (WACC) in the range of 13 to 15%. The same has been disclosed as an exceptional item in the statement of Profit and Loss.

**Note 42 :**

During the year ended 31st March 2015, pursuant to the assessment by the commercial tax department, an amount of ` 129.72 Lacs has been determined as payable towards entry tax on certain sales made by the company within the state of Madhya Pradesh for the year ended 31st March, 2012. Following the rationale of this decision, the company had during the year deposited ` 678.04 lacs (including interest of ` 156 Lacs) towards entry tax liability for the year ended 31st March 2013. Subsequent to the year end, on completion of assessment for the year ended March 2013, an amount of ` 723.89 Lacs (inclusive of interest of ` 176 Lacs) has been assessed and the same has been charged to the Statement of Profit and Loss. The liability in respect of subsequent years is not expected to be material.

**Note 43 :**

The company's depreciation policy in respect of fixed assets until 31st March, 2014 was as under:

- a. Assets acquired prior to 1st January, 2011 on WDV basis; and
- b. Assets acquired after 1st January, 2011 on straight line method

With effect from 1st April, 2014, the Company has adopted the useful life as prescribed by Schedule II to the Companies Act, 2013 to depreciate its assets. Consequently, the depreciation charge for the year ended 31st March, 2015 and net loss from ordinary activities are lower by ₹ 979.89 lacs.

**Note 44 :**

Details of Loans given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

- (i) The company has not given any loans.
- (ii) Investments made by the company as at 31st March, 2015 (Refer note 13)
- (iii) The Company has not given any Corporate Guarantees in connection with a loan to any other body corporate or person

**Note 45 :**

In view of the financial position of the Company and the performance of the Company during the previous year, the shareholders, in the Annual General Meeting of the Company held on 28th September, 2013, after discussions, disapproved the proposal of distribution of dividend for the year ended 31st March, 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 31st March, 2013 had been reversed in the books of account.

**Note 46 :**

The Company during the previous year had filed claim 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 ₹ 259.17 Lacs). However, the Department has issued orders rejecting the claims based on certain technical grounds. The Company has preferred an appeal against the orders passed and is confident of succeeding in the matter.

**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****For and on behalf of the Board**

Anil Gopal Joshi  
Chairman

P.Y. Gurav  
Director

Deepak Tiwary  
Chief Executive Officer

Ajeet V Garde  
Chief Financial Officer

Anurag Misra  
Company Secretary

Mumbai, Dated: May 21, 2015



## Commercial Engineers & Body Builders Co Ltd

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**Registered Office: 84/105 A, GT Road, Kanpur-208 003**

### ATTENDANCE SLIP

Joint shareholders may obtain additional Attendance Slip on request at the venue of the meeting.

Name and address of the shareholder:

No. of Share(s) held:

I/We hereby record my/our presence at the THIRTY FIFTH ANNUAL GENERAL MEETING of the company on 11th September, 2015 at 3.00 P. M. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208 003, (U.P.)

Signature of the shareholder or proxy .....

\*Applicable for investors holding shares in electronic form.

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**Form No. MGT-11**

## Proxy form

[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 &amp; Body Builders Co Ltd

Registered office : 84/105 A, GT Road, Kanpur-208 003

Name of the member (s) : .....

Registered address : .....

E-mail Id : .....

Folio No/ Client Id : .....

DP ID : .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....

Address : .....

E-mail Id : .....

Signature:....., or failing him

1. Name : .....

Address : .....

E-mail Id : .....

Signature:....., or failing him

1. Name : .....

Address : .....

E-mail Id : .....

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Fifth Annual General Meeting of the company, to be held on the 11th day of September 2015 at 03.00 p.m. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208003, (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	For	Against
<u>Ordinary Business</u>			
1	To consider and adopt the audited Financial Statements of the Company for the Financial year ended 31 <sup>st</sup> March, 2015 and the Reports of the Board of Directors and Auditors thereon		
2	To appoint a Director in place of Mr. Kailash Gupta (DIN: 00004951) who retires by rotation and being eligible, offers himself for re-appointment		
3	To ratify the appointment of Auditors and to fix their remuneration		
<u>Special Business</u>			
4	To accord consent of the Company under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, and which shall remain outstanding at any given point of time and shall not exceed the sum of Rs. 3,50,00,00000/- (Rupees Three Hundred Fifty Crores only).		
5	To accord the consent of the Company under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, provided that the total amount for which the security may be created shall not at any time exceed the limit of Rs. 3,50,00,00000/ - (Rupees Three Hundred & Fifty Crores only).		
6	To consider issue, offer and allotment of Equity shares to its eligible employees under Employee Stock Option Scheme		
7	To consider increase in Authorised Share Capital of the Company		
8	To consider alteration in Capital Clause of Memorandum of Association of the Company		
9	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this..... day of..... 2015 Affix Re. 1/-

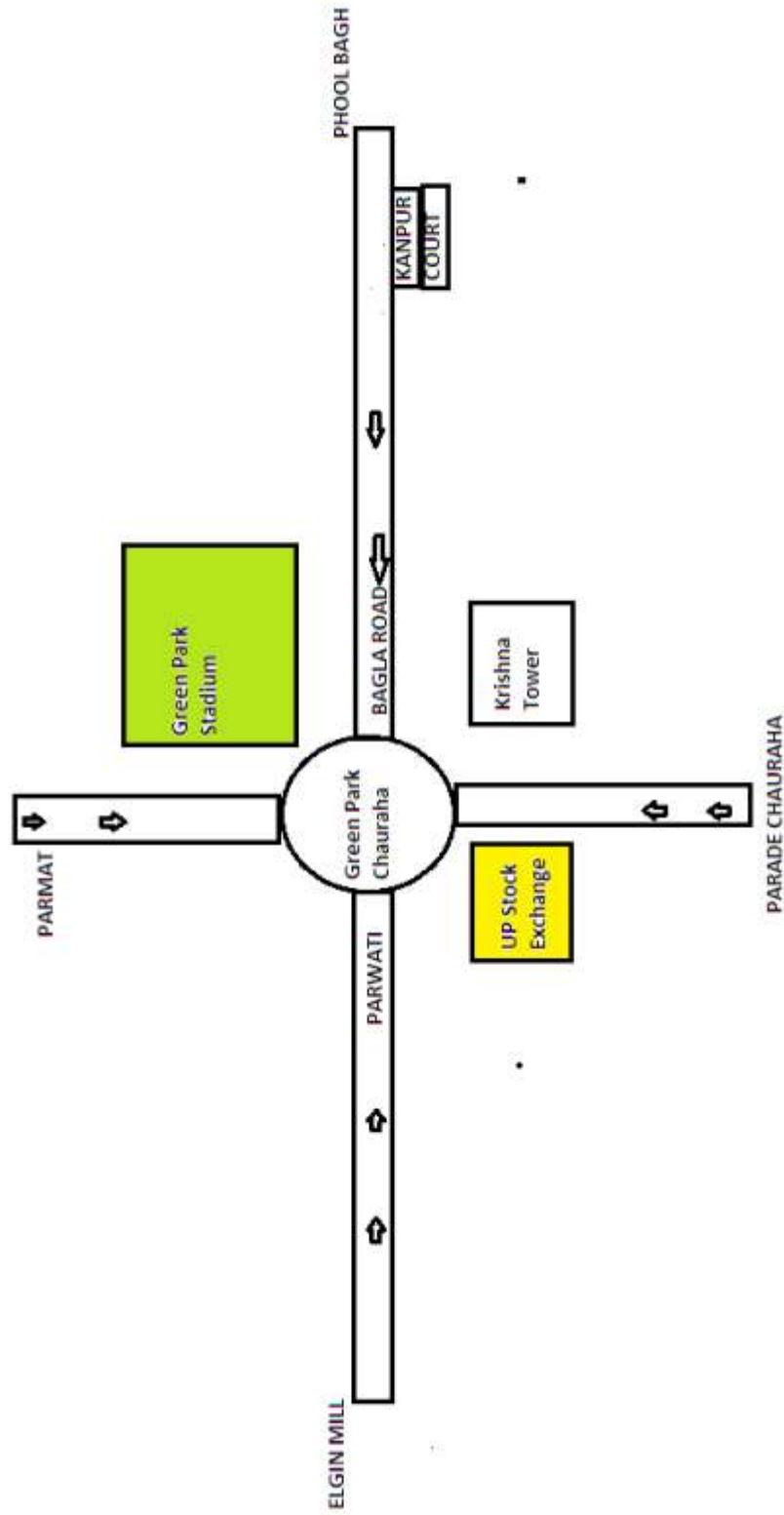
Signature of shareholder

Signature of Proxy holder(s)

REVENUE STAMP
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**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.

# ROUTE MAP FOR THE VENUE OF THE AGM



**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](http://www.cebbsco.com)