



**Outcome of the Board Meeting of
Commercial Engineers & Body Builders Co Ltd
Held on 12th August 2013 at 124, Napier Town, Jabalpur**

Board approved the Un-audited Financial Results of the Company for the first quarter ended 30th June, 2013 and authorised Mr. Kailash Gupta, Chairman cum Managing Director of the Company to sign and forward the same to Stock Exchanges.

The sales in the first quarter ended 30th June, 2013 were impacted due to an overall slowdown in sales in the heavy Commercial Vehicles industry. The Company, however, continues to maintain its leadership in FBVs.

The company expects a pickup in sales during this fiscal year and plans to increase the contribution from sale of power plant structural and auxiliaries in the current financial year. The company also expects to increase its sale to Railways while keeping its key focus on increasing FBV Sales across various product categories (Tippers, Tankers, Cargo Bodies and Refrigerated vehicle bodies etc.)

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

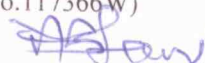
Kailash Gupta

Chairman cum Managing Director

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Commercial Engineers & Body Builders Co Limited ("the Company") for the Quarter ended June 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II- Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter Ended June 30, 2013 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.117366W)



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

Jabalpur, August 12, 2013

STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2013

Sr. No.	Particulars	Quarter Ended				Year Ended March 31, 2013 (Audited)
		June 30, 2013 (Unaudited)	March 31, 2013 (Unaudited)	June 30, 2012 (Unaudited)	March 31, 2013 (Unaudited)	
1	Income from operations					
	(a) Net sales (Net of excise duty)	4,498.00	4,008.71	16,809.79	49,797.10	
	(b) Other operating income	37.05	259.49	90.79	493.05	
	Total Income from operations (net)	4,535.05	4,268.20	16,900.58	50,290.15	
2	Expenditure :					
	(a) Cost of materials consumed	4,999.81	7,577.67	14,229.77	40,731.70	
	(b) Changes in inventories of finished goods, work-in-progress and Scrap	(977.62)	(3,715.14)	(1,785.40)	(3,208.89)	
	(c) Manufacturing expenses	283.46	86.19	619.14	1,736.45	
	(d) Employee benefits expenses	298.99	337.72	345.13	1,286.39	
	(e) Depreciation and amortisation expenses	747.70	423.32	406.83	1,670.31	
	(f) Other expenses	176.76	2,430.17	247.05	3,248.96	
	Total expenses	5,529.10	7,139.93	14,062.52	45,464.92	
3	(Loss)/Profit from operations before other Income, finance cost and exceptional items (1-2)	(994.05)	(2,871.73)	2,838.06	4,825.23	
4	Other Income	53.55	(121.86)	117.69	138.41	
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	(940.50)	(2,993.59)	2,955.75	4,963.64	
6	Finance costs (Net)	451.60	725.93	304.20	1,613.53	
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	(1,392.10)	(3,719.52)	2,651.55	3,350.11	
8	Exceptional Items					
9	(Loss)/Profit from ordinary activities before tax (7-8)	(1,392.10)	(3,719.52)	2,651.55	3,350.11	
10	Tax expense	155.59	(748.30)	826.77	1,495.55	
11	(Loss)/Net profit from ordinary activities after tax (9-10)	(1,547.69)	(2,971.22)	1,824.78	1,850.56	
12	Extraordinary item					
13	(Loss)/Net Profit for the period/year (11-12)	(1,547.69)	(2,971.22)	1,824.78	1,850.56	
14	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	5,494.30	5,494.30	5,494.30	5,494.30	
15	Reserves excluding Revaluation Reserves	-	-	-	21,908.89	
16	Basic and Diluted Earnings per share before and after Extraordinary items	(2.82)	(5.41)	3.32	3.37	

PART II : SELECTED INFORMATION FOR THE QUARTER ENDED JUNE 30, 2013

(A) Particulars of Shareholding	Quarter ended			Year Ended March 31, 2013
	June 30, 2013	March 31, 2013	June 30, 2012	
1 Public Shareholding				
- Number of Shares	24,277,797	24,277,797	24,277,797	24,277,797
- Percentage of Shareholding	44.19%	44.19%	44.19%	44.19%
2 Promoters and Promoter Group Shareholding				
a) Pledged/Encumbered				
- Number of Shares	1,176,471	3,591,471	2,425,000	3,591,471
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	3.84%	11.71%	7.91%	11.71%
- Percentage of shares (as a % of the total share capital of the Company)	2.14%	6.54%	4.41%	6.54%
b) Non-encumbered				
- Number of Shares	29,488,696	27,073,696	28,240,167	27,073,696
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	96.16%	88.29%	97.09%	88.29%
- Percentage of shares (as a % of the total share capital of the Company)	53.67%	49.28%	55.81%	49.28%

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(B) Information on investors' complaints for the Quarter ended June 30, 2013

Particulars	Quarter ended June 30, 2013
Pending at the beginning of the quarter	
Received during the quarter	
Disposed of during the quarter	
Remaining unresolved at the end of the quarter	

Notes :

1 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 (AS) 17 on 'Segment Reporting'.

2 Corresponding figures of previous period/ year have been regrouped/rearranged wherever necessary.

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

The Company had already deposited Entry tax aggregating to ₹ 1015.86 Lacs (Previous year - ₹ 858.71 Lacs) including interest ₹ Nil (Previous year - ₹ 1.47 Lacs) for the period from April 2007 to March 2013 to the authorities, under protest.

The Supreme Court has transferred the above SLP to a Higher Bench before the Chief Justice of the Supreme Court of India for decision, which is pending. Since, the matter has been pending for a long time and further the probability of availing relief is reduced due to the passage of time, the company during the previous year ended March 31, 2013, after obtaining expert opinion decided to charge-off the amounts of entry tax paid under protest for the period from April 2007 to March 2012, aggregating to ₹ 979.12 lacs. The same were included under 'Other Expenses'. Entry tax for the period after April 2012 is charged to the Statement of Profit and Loss and included under 'Manufacturing Expenses'.

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

The said facility has been fully constructed and capitalized during the previous year. The borrowing costs attributable to the project aggregating ₹ 386.16 lacs incurred till the date of capitalisation has been added to the total value of the facilities capitalized in accordance with AS 16 on 'Borrowing Costs'. Borrowing costs attributable to purchase of other capital assets aggregating to ₹ 343.09 lacs which does not fall under definition of 'qualifying asset' as per AS 16 have been charged to Statement of Profit and Loss for the year ended March 31, 2013.


5 During the previous year, the Company had advanced Inter-corporate deposits (ICD) to certain companies aggregating to ₹ 1,500 lacs at an interest rate of 21%. Out of these, amounts aggregating to ₹ 500 lacs, pertaining to one ICD has been received back by the Company without interest in the previous year. The other deposits aggregating to ₹ 1,000 lacs are outstanding as at the end of the quarter. Further, no interest has been received from these companies. The Company has followed-up with the companies for recovery of principle amount and interest and is hopeful of recovering the pending dues.

However, out of abundant caution, the Company, in the previous year had provided for the principle amounts of the outstanding ICDs aggregating to ₹ 1,000 lacs and has also not accounted for the interest income till the end of the quarter. The Company will account for the interest income as and when the same is received.

6 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the Meeting held on August 12, 2013.

Jabalpur
August 12, 2013

For and on behalf of the Board of Directors


Kaillash Gupta
Managing Director

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