

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

EXTRA-ORDINARY GENERAL MEETING NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting (EGM) of the members of the Company will be held on Saturday, 24th September, 2016 at the Auditorium of U.P. Stock & Capital Ltd., "Padam Towers" 14/113 Civil Lines Kanpur-208 001 (U.P.) at 3.30 P.M. or after the conclusion of the Annual General Meeting convened on same day, whichever is later to transact following business:

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 23 of the Sick Industries Companies (Special Provisions) Act, 1985 (SICA), the Report of Board of Directors of the Company to the Shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial year ending 31st March, 2016, in relation to its peak net worth during the immediately preceding four financial years, be and is hereby considered, approved and noted.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance with the provision of Section 23(1)(a)(i) of SICA and to do all such acts, deeds and things as may be considered necessary, proper or desirable or expedient to give effect to the above resolution. "

By Order of the Board

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

Date: 10th August, 2016

Place: Mumbai

Anurag Misra

Company Secretary

F-8336

NOTES:

1. **A Member entitled to attend and vote at the Extra Ordinary 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. 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. 14 and Annexure-A. 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.
3. The meeting will be held at 3.30 P.M. or after the conclusion of Annual General Meeting convened on same day, whichever is later.
4. The Notice of EGM 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 12th August, 2016.
5. 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.
6. 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.
7. 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.
8. The Company has notified closure of Register of Members and Share Transfer Books from, Wednesday, 21st September, 2016 to Saturday, 24th September, 2016 (both days inclusive).
9. 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").

10. 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.
11. 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.
12. 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.
13. 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.
14. 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 Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, 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. 17th September, 2016.
- (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. 17th September, 2016 only shall be entitled to avail the facility of remote e-voting.

ANNEXURE "A" TO THE NOTICE

Instructions for voting

The instruction for e-voting are as under:

- A. In case a Member receiving an email of the EGM 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 with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
 - 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. **17th September, 2016**, may write to Karvy on the email Id: evoting@karvy.com or to Ms Shobha Anand, Contact No. 040-67162222, 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 **Wednesday, 21st September, 2016 at 10.00 A.M. to Friday, 23rd September at 05.00 P.M.** 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, 17th September, 2016, may cast their vote by electronic means in the manner and process set out hereinabove. 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, 17th September, 2016.
- 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., 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 EGM, 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 Extra Ordinary General Meeting of the Company and the resolution(s) will be deemed to be passed on the Extra Ordinary 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) 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.

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

Date: 10th August, 2016
Place: Mumbai

Anurag Misra
Company Secretary
F-8336

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ('the Act or SICA), if the accumulated losses of an Industrial Company as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said Company falls within the definition of "Potential Sick Company".

In terms of requirement of Section 23 of the Act, Such Company is required:

- 1) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction and
- 2) To hold a general meeting of its shareholders for considering such erosion within sixty days from the date of adoption of its duly audited financial statements at the Annual General Meeting.

As per the Audited Accounts of the Company for the financial year ended 31st March, 2016, which shall be laid before the members at the Annual General Meeting to be held on Saturday, 24th September, 2016 and which the Board expects to be approved and adopted by the members at the said AGM, since the accumulated losses of your Company as at 31st March, 2016, amounting to Rs 184.64 Crores, have resulted in the erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year ended on 31st March, 2016, the Company will be defined as 'Potential Sick Company' under the Act.

In terms of requirement of Section 23 of the Act, the Board of Directors in their meeting held on 10th August, 2016, had considered the state of sickness of the Company and thereafter, also approved the report to such erosion which is given in the enclosed Report of the Board of Directors forming part of the Notice. Accordingly, the said report of the Board of Directors on such erosion is being placed before the members for their consideration and noting.

Pursuant to Section 102(1) of the Act, the extent of Shareholding of Directors, Key Managerial Personnel and their relatives in the Company is provided below:

Name of the Directors/KMP/Relatives	Extent of Shareholding in the Company (%)
Mr. Kailash Gupta	42.97%
Mrs. Rekha Gupta	6.26%
Mrs. Shalini Gupta	0.11%
Mrs. Nandini Malpani - Trustee of Jashn Beneficiary Trust	5.85%
Commercial Automobiles Pvt. Limited	0.05%

None of the Directors /Key managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financial or otherwise, in the said resolution.

The Board recommends consideration of the proposed resolution for your approval as an Ordinary Resolution.

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

Date: 10th August, 2016
Place: Mumbai

Anurag Misra
Company Secretary
F-8336

**Annexure to the Extra Ordinary General Meeting to be held on Saturday, 24th
September, 2016**

**REPORT OF BOARD OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY
UNDER SECTION 23(1)(b) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL
PROVISIONS) ACT, 1985**

To,
The Members
Commercial Engineers & Body Builders Co Limited

As required under Section 23(1)(b) of the Sick Industrial Companies (Special Provisions) Act, 1985 ("the Act"), a Report of the Board of Directors regarding erosion of more than 50% of its peak net worth of the Company and the causes thereof, is being submitted to the Members of the Company.

The Board of Directors in its meeting on the 30th May, 2016 have approved the Audited financial statements of the Company for the year ended 31st March, 2016. In term of the provisions of the Act, since the Company's accumulated losses of Rs. 184.64 Crores as at 31st March, 2016, exceeded the 50% (Rs 137.02 crore) of its peak net worth during the immediately preceding 4 (four) financial years, the Company will be defined as a Potential Sick Company under the Act.

In terms of Section 23 of the Act, in the event of a Company becoming a "Potential Sick Company", the following are the obligations-

- a) the Company shall, within a period of sixty days from the date of finalisation of the duly audited accounts of the Company-
 - i) report the fact of such erosion to the Board for Industrial and Financial Reconstruction under the Act (BIFR)
and
 - ii) hold a general meeting of the shareholders of the Company for considering such erosion.
- b) the Board of Directors shall, at least twenty-one days before the date of the general meeting as aforesaid, forward to every member of the Company a report of such erosion and the causes for such erosion;

The Company, therefore, has to report this fact to BIFR under Section 23 of the Act.

Causes of Erosion of the Net Worth:

CEO and Management made a presentation to the Board at the meeting held on 30th May, 2016 and explained the causes of above referred erosion of net worth, which were reviewed by the Board.

The following are the major factors which have significant impact on the performance of the Company:

The Company had entered into a new business in the year 2010 related to Railway wagon refurbishment / Manufacturing, considering its Market potential. A substantial amount of investment of Rs 184 Crores was made in Fixed Assets relating to Railway unit. An External Commercial Borrowings of USD 12400000 (equivalent of Rs. 62.00 Crores Approx.) was raised to partly finance the same. Initially, the Company did little business mainly for wagon refurbishment. Also there had been severe price competition affecting ability of the Company to take the orders and subsequently due to market slowdown, the tenders were not released by the Railways Department.

The Accumulated losses and erosion of net worth are mainly on account of the following:

- (a) Impairment Loss of Rs. 116.67 Crores provided for Railway Assets (Rs 53.67 Crores in FY 15-16 & Rs.63.00 Crores provided in FY 14-15)
- (b) Loss of Rs. 16.64 Crores (Rs 14.34 Crores in FY 15-16, Rs 0.19 Crores in FY 14-15 & Rs 2.10 Crores) on account of provisioning for doubtful debts and advances.
- (c) Loss of Rs. 7.99 Crores (Rs 3.13 Crores in FY 15-16 & Rs 4.86 Crores in FY 14-15) due to write off / provisioning made for slow & Non Moving Inventory relating to Discontinued Businesses/ Projects.
- (d) The Company's interest cost increased significantly on account of borrowing for the railway project and consequent borrowings, to fund the losses and operational Losses, due to underutilization of capacity & working capital constraints.
- (e) Due to funding constraints the volumes were adversely affected and also compelled the Company to procure certain raw material by paying higher prices.

The following remedial measures have taken by the Company, to prevent further erosion of net worth.

- The Company has rationalized its production facilities and as a result of the rationalization, there is a considerable saving in manpower cost and other operational costs. The Company has also focused on radical cost reduction drive to improve profitability and to remain competitive.
- The Company is taking support from some of its customers in fulfillment of their orders.
- The Company is exploring sources to augment its long term funds which will help to reduce interest cost and enable the Company to increase its turnover in the coming year.

- The Company is discussing with lenders for restructuring the repayment schedules on loans and lower the interest rates.

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

Date: 10th August, 2016
Place: Mumbai

Anurag Misra
Company Secretary
F-8336

Attendance Slip

Commercial Engineers & Body Builders Co Ltd
Registered Office: 84/105 A, GT Road, Kanpur-208 003

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

D.P. Id. *	
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Master Folio No.	
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Client Id. *	
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Name and address of the shareholder:

No. of Share(s) held:

I/We hereby record my/our presence at the **EXTRAORDINARY GENERAL MEETING** of the Company on Saturday, 24th September 2016 at 03.30 P. M. or after the conclusion of the Annual General Meeting convened on same day, whichever is later at Auditorium of U.P. Stock & Capital Ltd., Padam Towers, 14/113, Civil Lines, Kanpur-208 001, (U.P.)

Signature of the shareholder or proxy.....

*Applicable for investors holding shares in electronic form.

.....cut along.....

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 & 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

2. Name :
Address :
E-mail Id :
Signature:....., or failing him

3. Name :
Address :
E-mail Id :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company, to be held on Saturday, 24th September 2016 at 03.30 P. M. or after the conclusion of the Annual General Meeting convened on same day, whichever is later at Auditorium of U.P. Stock & Capital Ltd., Padam Towers, 14/113, Civil Lines, Kanpur-208 001, (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolution	For	Against
	Special Business		
1	Consider and approve Report of Board of Directors to the shareholders pursuant to the provision of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985		

Signed this..... day of..... 2016 Affix Re. 1/-
Stamp

Signature of shareholder

Signature of Proxy holder(s)

REVENUE STAMP

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.