



Annual Report for the year 2012-13



Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as '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 assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise 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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CMD's Message



Dr. Kailash Gupta
Chairman & Managing Director

Dear Shareholders,

The global economic scenario continued to face headwinds in fiscal 2012-13. Several economies, including BRIC nations, faced slowing growth. In India, high inflation, policy paralysis and regulatory overhang have further dampened business sentiment. However, under my renewed leadership at CEBSCO, we managed to hold our own despite tough external macro-economic conditions.

CEBSCO's product portfolio primarily caters to India's infrastructure sector, especially Transport, Railways and Power, which during the year was beset with regulatory uncertainties, policy issues, fall in domestic savings and investments and execution challenges. Moreover, physical achievements were out of sync with the aggressive investment targets set in the previous Five Year Plan. As a result, the country's poor macro-economic performance had a cascading effect, affecting companies like CEBSCO that depend on the all-round performance of the economy as a whole.

The commercial vehicle (CV) sector took one of its worst beatings in FY12-13 with the segment as a whole registering a decline of 2.02% over the same period in the previous fiscal. The Medium and Heavy Commercial Vehicle (M&HCV) registered a significant drop of 23.18% in sales during the period April – March 2013 over the same period. However, the Government took some positive measures to provide a thrust to the commercial vehicle sector to boost sales in the current financial year by dropping excise duty on CV chassis by 1%, lowering loan interest rates of Government banks from 14.5% to 14.3% and extension of the JNNURM scheme for the hill states. The Company is alert to the upcoming challenges this year and is adequately geared to face them.



Poised to leverage growth opportunities

Notwithstanding the slowdown in the economy and the subsequent impact on the FBV (fully built vehicle) industry, the Company is firmly focused on the future and continues to take measures to reinforce its product portfolio and market leadership through operational excellence, prudent business and financial practices and long-standing relationships with clients.

The Company enjoys a market share of 30-35% in the FBV segment, which offers better margins than the chassis only since the buyer can generate higher revenues using a fully built vehicle leading to higher profits on the back of excellence and efficiency, low turnaround time, and the ability to carry higher loads, among others. Going forward, this segment will be a key area of growth for the Company as the Society of Indian Automobile Manufacturers (SIAM) expects the commercial vehicle sector to register 7-9% growth in FY13-14 with LCV goods and M&HCV goods and passengers buses sales expected to grow at 10-12%, 1-3% and 6-8% respectively. Being the largest maker of FBVs in India, the Company is well placed to ride the crest of the wave of growth in the commercial vehicle industry.

The Company's foray into the railway segment through wagon refurbishment and wagon manufacturing has still not been fully exploited. Most of the railway contracts were delayed during the year owing to fiscal disciplinary measures. However, in the coming years, the railway wagon market is expected to grow swiftly driven by the substantial growth in railway freight over next decade. This provides the Company a huge opportunity as with the new Delhi Mumbai Industrial Corridor (DMIC) and Amritsar-Delhi-Kolkata dedicated freight corridors coming up, 40% of India's existing wagon units will need a revamp.

The Company's power structural business for boilers and electrostatic precipitators (ESPs) used in power generation projects is still at a nascent stage but we see good opportunity in the coming years.

During the year, the Company recorded gross sales of ₹ 59,041.79 lacs, which is 9.68% lower compared to the previous financial year. Profit before tax stood at ₹ 3,350.11 lacs compared to ₹ 5,678.16 Lacs in the previous financial year. In spite of tough market conditions, we were able to improve our performance on various parameters through cost cutting, optimising production across our six plants and lean manufacturing practices. The Company will continue its efforts to improve cost structure and strengthen its balance sheet. We are positive about the future with Government and policymakers in India serious about revitalising the growth process, I see infrastructure projects jump starting again, giving us a fillip in our Transportation, Railway and Power verticals.

The Company continues to maintain its thrust on R&D working closely with its customers (OEM) in new product development. We were the first company to manufacture a complete stainless steel tipper. CEBSCO is working on developing new products like refrigerated containers, tipping trailers and similar products for goods transportation. We have a reefer plant to manufacture refrigerated vans according to European ATP standards. The Company's Deori railway plant has received Research Design and Standards Organisation (RDSO) approval and is now eligible to bid for new wagons for Indian Railways. Our investment in state-of-the-art technology is a great aid to our manufacturing capabilities since it helps us to reduce the lead time and speeds up the operations cycle. The throughput meets our stringent targets only because of the synergy between technology and our people.

Not only have we emerged stronger despite tough conditions over the past couple of years, we have vastly widened the horizons which the Company can prospect for growth. Our strong manufacturing skills demonstrated by customer confidence will allow us to pursue a path of sustainable growth. Our manufacturing capabilities are centrally located at Jabalpur, Indore and Jamshedpur. This ensures proximity to customers and being located in relatively smaller location provides lower labour, land and overhead costs, thereby providing significant cost advantage. The company's key customers include leaders in commercial vehicles like Tata Motors, VE Commercial Vehicles (VECV), Ashok Leyland and Man trucks in FBV segment, and engineering giants like L&T and BHEL in heavy engineering.



Human Resource and Talent is the key to any Company's growth. As a learning organization we nurture people, knowledge and relationships. Our R&D-led customer focus, manpower training and development and the inculcation of an innovation-based learning culture will be a strategic area of importance.

In the past 12 months, we have taken definitive measures to strengthen our governance practices and internal control measures. By engaging external agencies and consultants, we have validated our processes and are keen to practice gold standard corporate governance practices. Going forward, as a company we wish to deliver growth transparently and behave responsibly towards our investors, employees and the communities around us. We believe stable and predictable growth will become the cornerstone of our Company in the coming years.

I thank all the shareholders, employees, bankers, customers and everybody for your sincere and persistent support over the past year. We will continue to focus on our ability and capacity to deliver value, ensuring that as we grow we continue to meet our customers' expectations, investing in the innovation that sets CEBSCO apart as a leader.

Regards,

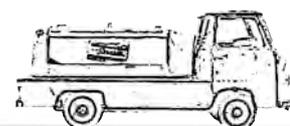
Dr. Kailash Gupta - Chairman & Managing Director
Deepak Tiwary - CEO



Financial Highlights

Profit & Loss statement

	(₹ in Crore)				
	Fy09	Fy10	Fy11	Fy12	Fy13
Net Sales	112.05	182.86	212.16	463.06	497.97
Other Operational Income	2.57	3.81	4.57	5.57	4.93
Other Income	2.20	0.98	2.85	2.27	1.38
Total Revenues	116.82	187.65	219.59	470.90	504.28
Expenditure					
Manufacturing Expenses	95.63	129.79	176.38	368.01	392.59
Personnel Cost	5.54	7.39	10.52	14.95	12.86
Selling & Admin Cost	5.90	9.21	12.30	15.47	32.49
EBIDTA	7.55	40.30	17.54	70.20	64.96
EBIDTA Margin (%)	0.07	0.22	0.08	0.15	0.13
Depreciation	1.67	3.64	3.85	6.37	16.70
EBIT	8.08	37.64	16.54	66.1	49.64
Interest Expenses	5.74	6.83	9.27	9.32	16.14
Profit Before Tax (PBT)	2.34	30.8	7.27	56.78	33.50
Tax	0.76	9.92	1.01	8.59	5.42
Deferred Tax	0.15	0.58	0.56	7.39	9.57
Profit After Tax (PAT)	1.44	20.3	5.70	40.8	18.51



Financial Highlights

Balance Sheet

	(₹ in Crore)				
	Fy09	Fy10	Fy11	Fy12	Fy13
Sources of Funds					
Share Capital	6.13	42.89	54.94	54.94	54.94
Reserves & Surplus	44.75	28.27	162.35	203.15	219.09
Total Shareholders' Fund	50.88	71.16	217.29	258.09	274.03
Total Loan Funds	7.18	54.76	46.12	110.97	162.89
Deferred Tax Liability	0.01	0.60	1.15	8.54	18.11
Total Sources of Funds	58.07	126.52	264.56	377.61	455.03
Application of Funds					
Fixed Assets					
Gross Block	33.23	36.48	57.80	198.95	349.61
Less: Accumulated Depreciation	8.07	11.47	15.15	21.46	37.90
Net Block	25.16	25.01	42.65	177.49	311.71
Capital Work in progress	7.35	19.95	76.46	67.50	12.15
Investments	0.67	0.63	38.37	0.69	0.60
Current Assets					
Inventories	28.94	53.43	69.16	49.70	67.01
Sundry Debtors	14.96	58.25	30.64	103.75	146.74
Cash & Bank Balance	3.74	3.44	25.96	7.09	35.74
Loans & Advances	27.37	35.12	43.75	61.16	49.47
Total Current Assets	75.01	150.24	169.51	221.70	298.96



Financial Highlights

Balance Sheet

	(₹ in Crore)				
	Fy09	Fy10	Fy11	Fy12	Fy13
Current Liabilities					
Sundry Creditors	48.29	63.19	61.76	84.93	160.08
Provisions	1.83	6.12	0.67	4.84	8.31
Total Current Liabilities	50.12	69.31	62.43	89.77	168.39
Net Current Assets	24.89	80.93	107.08	131.93	130.57
Total Application of Funds	58.07	126.52	264.56	377.61	455.03



Key Facts

With a broad range of product offerings in the commercial vehicle, railways and power segment, CEBSCO is at the forefront of economic, social and environmental progress. CEBSCO is one of the leading manufacturers in India of vehicle bodies for commercial vehicles with an extensive portfolio of product offerings. Also conducts refurbishment of wagons as well as designing and manufacturing of components for wagons and locomotives in the railways division.

<h3>Fully Built Vehicle (FBV) segment</h3>	<ul style="list-style-type: none"> ▶ Largest player in the conversion of chassis to FBV with a market share of 30-35% and revenue contribution of > 90% ▶ Supplies to major OEM like Tata Motors, Ashok Leyland, VE Commercial Vehicles Limited, MAN Motors and Defence Vehicle Factory etc.
<h3>Railways</h3>	<ul style="list-style-type: none"> ▶ Entered the wagon refurbishment business in 2008 which includes refurbishments of wagons, supplies and fitting of side-walls, end-walls, floor plates, flap floor, door-plates etc. ▶ In 2010-11 entered the wagon manufacturing space for Indian Railways ▶ Executed a trial order of 247 wagons from Braithwaite & Co. (Indian Railways' subsidiary)
<h3>Power</h3>	<ul style="list-style-type: none"> ▶ New business with attractive growth opportunities ▶ Fabrication of structural-s for Power Plants and Electrostatic Precipitators / Boilers ▶ Currently executing orders from L&T and BHEL

Strengths

- 1** Economies of scale in its FBV business due to its strong track record and long standing relationships with all major OEMs and strong focus on R&D.
- 2** Wide range of product offerings in commercial vehicles for applications across diversified industries.
- 3** State-of-the-art technology and certifications for design, production standards and quality assurance.
- 4** Well qualified and experienced design team of mechanical engineers engaged in developing new solutions for customers to suit their business needs.
- 5** Ability to manufacture superior quality structures, using one of the most stringent industry guidelines.
- 6** Manufacturing facilities located close to some of key customers for commercial vehicle bodies, gives competitive advantage over other manufacturers of commercial vehicle bodies.
- 7** Benefit under the TRIFAC policy of Madhya Pradesh, which provides for sales tax subsidy on payment of state sales & central sales tax to the extent of capital investment made by the Company's each unit.



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:

- 1** Proximity to customers as Jabalpur is a central location to all major OEMs
- 2** Proximity to suppliers as located closer to suppliers of steel in Orissa and Jharkhand
- 3** Lower labor, land, employee and other overhead costs
- 4** Benefit under the TRIFAC scheme by Madhya Pradesh

Key Clientele

Segment	Clients
Commercial Vehicles	Tata Motors Ltd. (Domestic & Export) Ashok Leyland Ltd. VE Commercial Vehicles Ltd. (VECV) Man Force Trucks Pvt. Ltd. Hino Motors Sales India Pvt. Ltd. Asia Motor Works Ltd. Ministry of Defence Reliance Petroleum Ltd. Reliance Industries Ltd.
Railways	Indian Railways
Power	L&T BHEL

Well Diversified Product Portfolio

Mining & Road Construction

- 1** Tipper Bodies
- 2** Tanker Bodies

Goods Transportation

- 1** Load Cargo Bodies
- 2** Refrigerator-fitted Vehicle Bodies and Containers
- 3** Trailer Bodies (including for 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 Sector

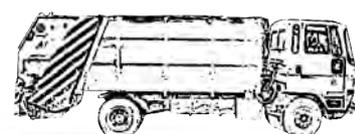
- 1** Troop Carrier Vehicle Bodies
- 2** Prison Van Bodies
- 3** Water Bowser Bodies

Railway Components

- 1** Upgradation and Refurbishment of BOXN wagons
- 2** Components for Locomotives
- 3** Components for BOXNR wagons
- 4** Components for EMU Coaches

Power – Boilers and ESP

- 1** Structural for Power plants and electrostatic precipitators



I Management Discussion and Analysis

Economic Overview

The global economy faced prolonged uncertainty in FY2013 with many countries, particularly those in the Eurozone, facing economic instability in the aftermath of the global financial crisis and the consequential deleveraging. Going forward, while there are severe downside risks like US fiscal cliff, renewed setback in Europe and the slowdown in China that can disrupt the growth thrust, global growth is expected to gradually strengthen. The IMF forecasts that the global economy is expected to grow by 3.5% and 4.1% in 2013 and 2014 respectively.

India’s economy too was adversely affected with the GDP registering 5% growth in FY2013, the lowest in a decade. The current account deficit reached an all-time high and the government faced the risk of breaching fiscal deficit targets. Deteriorating private consumption and investment spending only worsened the situation. However, the last couple of quarters provided a glimmer of hope with the Government pushing for several policy reforms and controlling the fiscal deficit to 4.9% of the GDP. Looking ahead, with inflationary pressures subsiding and the government making all the attempts to restart the growth engine, one can expect the scenario to improve marginally in FY2014.

While infrastructure projects, especially roads, face several delays, the recent push from the government to set the investment cycle rolling will help resurrect infrastructure projects. Focusing exclusively on infrastructure, the government is planning to put in place the National Investment Board to support and speed up stalled infrastructure projects. The improved focus on infrastructure and road development signifies demand for tippers. Since better road infrastructure boosts traffic movement, especially for higher tonnage vehicles, the government’s initiatives towards improvement in infrastructure will increase demand for Commercial Vehicles in the near term and provide a boost to the Fully Built Vehicle (FBV) industry.

Industry Overview

Commercial Vehicle—Fully Built Vehicles (FBV)

The slowdown in the automotive industry in India, which started in the second half of the FY11-12, continued during FY12-13 due to firm interest rates, higher fuel price as a result of the deregulation of fuel prices and increase in excise duties etc. The M&HCV goods category, which accounts for the majority of the volumes in the commercial vehicle industry, experienced a fall in sales. M&HCV sales fell 23.18% to 2,68,263 units in FY12-13 and this category bore the brunt of low cargo availability, weak investment sentiment and the impact of major fleet capacity increase over the past years, particularly in the heavy-duty categories of the trucking market.

On a Down Trend

M&HCV Sales	2012 - 13	2011 - 12	% Change
Q1	66,048	75,054	-12
Q2	74,645	85,726	-12.9
Q3	57,832	84,141	-31.8
Q4	70,184	104,295	-32.7

Source: Society of Indian Automobile Manufacturers (SIAM)



The Indian automobile sector is about to accomplish size, with global OEMs expanding capacities and introducing multiple products across the category. Therefore in the times to come the commercial vehicle industry in India is expected to remain on the growth track. Recuperating infrastructure and roadways signifies that the industry will progress en route for higher tonnage vehicles. Rising fuel prices and scarcity of drivers are compelling fleet owners to look for vehicles with higher operating effectiveness rather than the initial cost of vehicle acquisition.

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

There is a tremendous opportunity in the tipper category driven by the strong demand in the mining and construction industry and higher sales of heavy tonnage vehicles. Additionally, tippers require hydraulic jacks due to which fleet owners prefer to purchase tippers as FBVs. This provides a promising opportunity for CEBSCO due to higher adoption of FBVs among the tipper category vis-à-vis the non-tipper category. The total net Sales achieved under this division is ₹ 440.74 Crores.

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

SIAM has also suggested a few measures to the government to boost demand for commercial vehicles in the country by adopting fleet modernisation schemes, purchase of CVs for municipal applications, increase depreciation rate of CVs to 60% and implementation of stringent legal provisions against overloading. It has also proposed to the government to give an impetus to the commercial vehicle category by opening up the mining sector at the earliest and accelerate infrastructure spending.

Railways



The Company's railway business includes manufacturing of new wagons, the refurbishment of old wagons, supplies and fitting of side-walls, end-walls, floor plates, flap doors, door plates etc. for Indian Railways. Refurbishment also increases the life of a wagon by 12 years, while reducing its weight by around one tonne because of the use of stainless steel. Currently accounting for only 9% of the revenue, the contribution from this division is set to increase with the Company's venture into wagon manufacturing. While during the year, the Company executed an order to manufacture 247 wagons for Braithwaite Ltd. (an Indian Railway subsidiary), the total Net Sales achieved under this division is ₹ 46.08crores.

With the 12th five year plan targeting procurement of 105,659 wagons over FY13-17 (E), we believe demand for wagons will remain robust in the coming years. The delay in implementing a long-term procurement policy for wagons remains a problem leading to inefficient operations and

capacity utilization of the Wagon Industry.

With India participating in the select group of freight movement, the focus has once again shifted to the prominent Dedicated Freight Corridor (DFC) project, which will augment the freight carrying capacity of railways leading to additional gains, apart from releasing the existing lines on congestion. As per the Budget 2013, there has been an enhancement in freight loading by about 40 million tonnes, which would require additional wagons. CEBSCO is well poised to address opportunities in the sector as they arise



Power



The Company fabricates power structural's like boilers and Electrostatic Precipitators (ESPs) and has executed orders for clients like L&T and BHEL. The total net sale achieved under this division is ₹ 11.15 crore.

Financial Overview

The Company recorded total income of ₹ .502.90 crore and net profit of ₹ 18.50 crore for the year ended March 31, 2013 as compared to total income of ₹ 468.64 crore and net profit of ₹ 40.80 crore for the year ended March 31, 2012. The Company also announced a dividend of 4.0% (₹ 0.40 per equity share of ₹ 10 each). EPS stood at ₹ 3.37.

The Company plans to increase the contribution from power plant structural's and auxiliaries in the current financial year. With the key focus on increasing FBV sales across categories, including Tippers, Tankers, Cargo Bodies and Refrigerated vehicle bodies, we also expect a pick-up in sales during this fiscal year. SIAM has also suggested a few measures to the government to boost demand for commercial vehicles in the country by adopting fleet modernisation schemes, purchase of CVs for municipal applications, increase depreciation rate of CVs to 60% and implementation of stringent legal provisions against overloading. It has also proposed to the government to give an impetus to the commercial vehicle segment by opening up the mining sector at the earliest and accelerate infrastructure spending.



Growth Drivers

- 1 The Government has planned an investment of ₹ 65 lakh crore under the 12th Five Year Plan (FY13-17) in order to sustain a real GDP growth rate of 9%. Almost half of this investment is planned for construction projects like roadways and railways.
- 2 Growth in the coming years is expected to come from higher penetration and wider reach across tier 2 and tier 3 markets. Ongoing increase in connectivity and mounting consumerism in rural areas will steer the growth of commercial vehicles to the fore.
- 3 India has become known as a centre of global manufacturing, backed by lower input costs, availability of local supplier base and skilled manpower. The Company is ideally placed to leverage this opportunity.
- 4 The Dedicated Freight Corridor (DFC) planned by Government is one of the biggest national projects on the anvil, which offers a vast opportunity that can be seized by established units in the industry.

Technology – IT Process and Systems

With 6 manufacturing plants, IT at CEBSCO is playing a key role in redefining internal control, MIS generation and creating efficiencies in operations. It has state-of-the-art reefer plant to manufacture refrigerated vans according to European ATP standards. The Company is also planning to implement Kaizen initiatives across its manufacturing facilities.

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

Corporate Governance

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

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



Risk Management

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

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

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

Internal Control Systems

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

Internal Control systems are implemented:

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

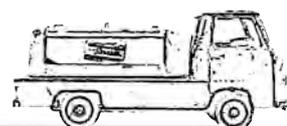
The systematic implementation of Internal Control Systems and policies has resulted in the use of funds in the most efficient and appropriate manner. The top management and Audit Committee of the Board review the findings and the recommendations of the internal audit team as well as outside auditors 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.



Products and Brands





I Human Resources

“Treat people as if they were what they ought to be, and you will help them become what they are capable of becoming.” - Goethe

CEBSCO believes in inculcating in its employees a strong sense of ownership towards work and the organization. We have always invested in learning and skill development at all levels of the company, knowing full well that as an organization our future depends on being constantly engaged in enhancing the skills of our employees. Indeed, we exhort our employees to do better than what they have done in the past. Indeed, human resource activities find a pride of place in the Company.

A key aspect of our employee strategy is to develop of an open culture across the organization. By setting high quality goals aligned to our business strategy, and constant coaching and feedback, we strive to ensure that performance at all levels of the organization delivers value. That is why our training programmes continuously upgrade our employees' skills and knowledge as a matter of course at all levels across our manufacturing facilities. During the past year as well, we rolled out several technical, engineering and leadership training modules that helped our employees to upgrade their skills and remain abreast with the latest technological and management developments in the industry.

As a professionally managed organization since inception, we have an inclusive HR programme that supports our employees' professional aspirations. The management also plays a key role in integrating people across the Company's various facilities and inculcating in them a culture of transparency, which has always been the hallmark of CEBSCO's HR practices. And as a part of our effort at employee engagement, the Company conducted a divisional level sports meet under the auspices of Shram Kalyan Mandal in Jabalpur. Around 40 employees represented CEBSCO in this event and performed well.

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

As a professionally managed organization since inception, we have an inclusive HR programme that supports our employees' professional aspirations. The management also plays a key role in integrating people across the Company's various facilities and inculcating in them a culture of transparency, which has always been the hallmark of CEBSCO's HR practices. And as a part of our effort at employee engagement, the Company conducted a divisional level sports meet under the auspices of Shram Kalyan Mandal in Jabalpur. Around 40 employees represented CEBSCO in this event and performed well.

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Corporate Social Responsibility

The quality of a person's life is in direct proportion to their commitment to excellence, regardless of their chosen field of endeavour” – Vince Lombardi

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

CEBSCO is dedicated to giving its employees an engaging work environment that inspires, supports, and rewards their efforts. CEBSCO offers on-the-job learning as well as a variety of programmes designed to augment individual abilities and develop specialized skills customized to local needs. During the year, the Company conducted a medical health camp for a general health and eye check-up for all its employees and more than 300 workers and staff availed the benefit.

We ensure that our workplaces are safe and equipped with adequate safety features. We believe that encouraging a healthy work-life balance for our employees is the most effective way of creating long-term opportunities for sustainable growth. The Company conducts frequent safety awareness and training campaigns. The Company has incurred, and will continue to incur, substantial on-going capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations.

Commitment to Sustainability

CEBSCO believes that sustainable development for communities and enterprises can only become a reality if the Company assimilates corporate social responsibility in the management process and aligns business goals with the social and economic goals of the country. We are committed to being a catalyst in moving business practices towards sustainability and being at the front of sustainable development. We have made a proactive and long-term commitment to the places where we work and live by rolling up our sleeves and standing shoulder-to-shoulder with our community partners.

Our focus has always been on empowering the community by undertaking social welfare and community development measures in the field of healthcare, education, child development, promotion of cultural activities, etc. We will continue to practise our commitments vigorously through each of our businesses as we strive to create value, long-term sustainable development, and contribute to nation building. We endeavour to make a positive contribution to the community by focusing on development and investment programmes along with preserving the environment by following best business practices that are eco-friendly.



I Notice

Of the 33rd Annual General Meeting of the Shareholders

Notice is hereby given that the 33rd Annual General Meeting of the Members of Commercial Engineers & Body Builders Co Limited will be held on Saturday, the 28th September, 2013 at 3.00 PM. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003 (U.P.), to transact the following business:

ORDINARY BUSINESS:

- 1- To receive, consider and adopt the Balance Sheet as on 31st March, 2013 and the Profit and Loss A/c for the year ended on that date and the Reports of the Board of Directors thereon and the report of the Auditors thereon.
- 2- To declare final dividend for the financial year ended on 31st March, 2013.
- 3- To re-appoint the rotational Directors in place of Mr. S P Shah who is to retire by rotation and being eligible, offers himself for re-appointment.
- 4- To re-appoint the rotational Directors in place of Mr. Praveen Kumar, who is to retire by rotation and being eligible, offers himself for re-appointment.
- 5- To re-appoint M/s Deloitte Haskins & Sells firms' registration number-117366W, Chartered Accountant, the Statutory Auditors of the Company for the Year 2013-14 and fix their fee/remuneration.

SPECIAL BUSINESS:

- 6- To obtain the approval of shareholders for the transaction with Commercial Automobiles Pvt Limited in compliance of the order received from Central Government and pass the following special resolution

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

"RESOLVED THAT pursuant to Section 297 and other applicable provisions, if any, of the Companies Act, 1956 and in terms of the approval granted by the Regional Director (NR) Ministry of Corporate Affairs, Noida, approval of members be and is hereby accorded to the Company for entering into contracts with Commercial Automobiles Private Limited for :

- (i) Sale of Body Built on Chassis, Tippers and Trailers and Sale of Auto Body components up to an aggregate value not exceeding ₹ 24.65 Crores p.a.;
- (ii) Purchase of Automobile Components, Spare Parts and Accessories up to an aggregate value not exceeding ₹ 25.00 Lacs p.a.; and
- (iii) Supply of Services i.e. Vehicle repairing/servicing and job work up to an aggregate value not exceeding ₹ 10.00 Lacs p.a.



for the period from 1.10.2012 to 31.03.2014 on the terms and conditions set out in the agreement entered into with the said Company and approval letter No. 4/220/T-2/UP/4230 Dt. 17th September,2012 issued by the Regional Director (NR), Ministry of Corporate Affairs , Noida.

RESOLVED FURTHER THAT the approval of the members of the Company is subject to the condition that:

- A- The Contract entered into with the said Company is competitive , at arm's length without conflict of interest and on terms thereof are not less advantageous to the Company as compared to similar contracts with other parties;
- B- The contract is falling within the provisions of Section 297 of the Companies Act, 1956 and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the contract; and
- C- The Company and its Directors should ensure due compliance with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the contract.

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution and to ensure due compliance of terms and conditions of the said approval letter."

- 7- To obtain the approval of shareholders for the transaction with Shivam Motors Pvt Limited in compliance of the order received from Central Government and pass the following special resolution:

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

"RESOLVED THAT pursuant to Section 297 and other applicable provisions, if any, of the Companies Act, 1956 and in terms of the approval granted by the Regional Director (NR) Ministry of Corporate Affairs, Noida ,approval of members be and is hereby accorded to the Company for entering into contracts with Shivam Motors Private Limited for :

- (I) Sale of Body Built on Chassis and Sale of Auto Body components up to an aggregate value not exceeding ₹ 24.00 Crores p.a.; and
- (ii) Purchase of Automobile Components, Spare Parts & Accessories up to an aggregate value not exceeding ₹ 1.00 crore p.a.

for the period from 1.10.2012 to 31.03.2014 on the terms and conditions set out in the agreement entered into with the said Company and approval letter No. 4/220/T-2/UP/4231 Dt. 17th September,2012 issued by the Regional Director (NR), Ministry of Corporate Affairs , Noida.

RESOLVED FURTHER THAT the approval of the members of the Company is subject to the condition that:

- A- The Contract entered into with the said Company is competitive , at arm's length without conflict of interest and on terms thereof are not less advantageous to the Company as compared to similar contracts with other parties;
- B- The contract is falling within the provisions of Section 297 of the Companies Act, 1956 and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the contract; and
- C- The Company and its Directors should ensure due compliance with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the contract.



RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution and to ensure due compliance of terms and conditions of the said approval letter."

By Order of the Board of Directors
COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

Registered Office:
84/105A, G T Road,
KANPUR (UP)
Date: 12th August, 2013

Kailash Gupta
(Chairman cum Managing Director)

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.
- 2 - The proxy form duly stamped and executed should be deposited at the Registered Office / Head Office of the Company at least 48 hours before the time fixed for the commencement of the meeting. A blank proxy form is annexed to Annual Report.
- 3 - Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
- 4 - Please bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall. Members are requested to bring their copies of Annual Report for reference at the meeting.
- 5 - 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.
- 6 - The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 25th September, 2013 to Saturday, 28th September, 2013 (both days inclusive) in connection with the Annual General Meeting.
- 7 - The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in relation to the special business No. 6 & 7 of the notice is annexed herewith as required.
- 8 - Members are requested to intimate to the Company changes, if any, in their registered addresses quoting their folio number immediately.
- 9 - The equity shares of the company are listed at the National Stock Exchange Limited [NSE] at Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and Bombay Stock Exchange Limited [BSE] at 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. It is informed that the Company has paid the annual listing fees of the above Stock Exchanges for the financial year 2012-13.
- 10- The National Securities Depository Limited, Trade World, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and Central Depository Services (India) Limited, 28th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400023 are the custodian of the equity shares of the company.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS OF THE NOTICE

Re: Item No. : 6

Commercial Automobiles Private Limited (CAPL) a Group Company, is engaged in Automobile and related business activities which are complementary in nature with that of the Company. In order to achieve greater synergy and to advance business interests it has been considered appropriate to enter into contract for Sale, Purchase or supply of goods, materials or services with CAPL. Mr. Kailash Chand Gupta, Managing Director of the Company is also a Director of CAPL; therefore, the contract attracts the provisions of Section 297 of the Companies Act, 1956. As the Paid-up share capital of the Company is more than rupees one crore, no such contract could be entered in to except with the previous approval of the Central Government which power presently stands delegated to Regional Director. The Regional Directors while according approval, inter-alia, stipulated to get the proposed contract approved by members of the Company at a General Meeting by way of Special Resolution. The approval of the members of the Company is being sought by way of intended resolution in compliance with the condition imposed by the Regional Director. The Board recommends the resolution for approval.

None of the Directors of the Company except Mr. Kailash Chand Gupta is concerned or interested in the above resolution. A copy of the contract and approval letter of Regional Director is available for inspection of members on all working days between 11.00 A.M. to 2.00 P.M. up to the date of the meeting.

Re: Item No. : 7

Shivam Motors Private Limited (SMPL) a Group Company, is engaged in Automobile and related business activities which are complementary in nature with that of the Company. In order to achieve greater synergy and to advance business interests it has been considered appropriate to enter into contract for Sale, Purchase or supply of goods, materials or services with SMPL. Mr. Kailash Chand Gupta, Managing Director of the Company is also a Director of SMPL; therefore, the contract attracts the provisions of Section 297 of the Companies Act, 1956. As the Paid-up share capital of the Company is more than rupees one crore, no such contract could be entered in to except with the previous approval of the Central Government which power presently stands delegated to Regional Director. The Regional Directors while according approval, inter-alia, stipulated to get the proposed contract approved by members of the Company at a General Meeting by way of Special Resolution. The approval of the members of the Company is being sought by way of intended resolution in compliance with the condition imposed by the Regional Director. The Board recommends the resolution for approval.

None of the Directors of the Company except Mr. Kailash Chand Gupta is concerned or interested in the above resolution. A copy of the contract and approval letter of Regional Director is available for inspection of members on all working days between 11.00 A.M. to 2.00 P.M. up to the date of the meeting.

By Order of the Board

Registered Office:
84/105A, G T Road,
KANPUR (UP)
Date: 12th August, 2013

Kailash Gupta
(Chairman cum Managing Director)



Director's Report 2012-13

To the Members of

Commercial Engineers & Body Builders Co Ltd

Your Directors take pleasure in presenting the 33rd Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2013.

Financial Highlights	(₹ Lacs)	
	2012-13	2011-12
Gross Sales	59,041.79	65,373.18
Other Income	138.41	227.12
Profit Before Tax	3,350.11	5,678.16
Provision for Tax	1,499.55	1,597.97
Profit after Tax	1,850.56	4,080.19
Balance Brought Forward From Previous Year	7,459.14	3,378.95
Capitalised on issue of bonus shares	0.00	0.00
Balance c/f to Balance Sheet	9,309.70	7,459.14

Performance at Glance

The Company has recorded gross sales of ₹ 59,041.79 Lacs in the closed financial year 2012-13, which is 9.68% lower as compared to the previous financial year.

Further your Company has recorded profit before tax of ₹ 3,350.11 Lacs (Previous year: ₹ 5,678.16 Lacs).

The Profit after tax is at ₹ 1,850.56 Lacs in the current year. (Previous year: ₹ 4,080.19 Lacs)

Dividend

Your Directors recommend a final Dividend of 4% (Rs 0.40/- per equity share of Rs 10/- each) to be appropriated from the profits of the year 2012-13, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable regulations.

Directors

The Board of Directors comprises of -

- 1 Dr. Kailash Gupta – Chairman cum Managing Director
- 2 Mr. Ajay Gupta - Whole Time Executive Director (Resigned on 26th March, 2013)
- 3 Mr. Sevantilal Popatlal Shah – Independent Director
- 4 Mr. Sudhir K Vadehra - Independent Director
- 5 Mr. Akhil Shriprakash Awasthi – Non Executive Nominee Director (Resigned on 18th March, 2013)
- 6 Mr. Ravi Gupta – Independent Director
- 7 Mr. Praveen Kumar - Independent Director

Corporate Governance

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

Auditors

M/s Deloitte Haskins & Sells, firms' registration number-117366W, 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.



Auditor's report

Our auditors in clause (v) of the Annexure to the Independent Auditor's Report have observed the need to strengthen the internal controls in the areas of purchase of inventory, fixed assets (including capital work in progress) and sale of goods and services with respect to timely and adequate maintenance of physical/electronic records. The Board & Audit Committee have directed the management to take all necessary actions/steps to strengthen the controls in the above referred areas.

The internal auditor of the company is also advised to perform the audit in these specific areas where the control weakness has been observed and report the progress to the Board & Audit Committee on periodic intervals.

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

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

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

During the year under review, the Company has a Foreign Exchange Earnings of ₹ Nil and ₹ 6.86 Lacs as Foreign Exchange outgo.

Employee

The list of employees whose particulars are required to be disclosed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given as Annexure A forming part of this report.

Place: Jabalpur

Date: 12th August 2013

Directors Responsibility Statement

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

- 1 That in preparation of Accounts for the financial year ended 31st March, 2013; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- 2 That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the company for the year under review.
- 3 That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- 4 That the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2013 on a going concern basis.

Acknowledgements

Your Directors take this opportunity to express their gratitude to the vendors, investors, banks and financial institutions for their continued support and guidance.

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

Kailash Gupta
Chairman cum Managing Director



Annexure –(A) to Director’s Report

Name	Age	Designation	Qualification	Date of Commencement of Employment	Experience of No. of Years	Employment Held, Name of the Company and Designation	Remuneration Received (₹ in Lacs)	% of Shares Held
Ajay Gupta	40	Whole Time Executive Director	B.Com	01.10.2005	13 years		79.72	20.53
Kailash Gupta	66	Chairman cum Managing Director	Ph. D. M.Sc. (Physics)	28.09.1979	33 years		51.86	23.02

Note:

1 Nature of employment (whether contractual or otherwise) :

- ▶ The employment of Shri Ajay Gupta is contractual. The terms and conditions are subject to the contract (executive director’s agreement) entered between the company and the director. However Mr. Ajay Gupta has resigned from the directorship of the company w.e.f.26th March, 2013.
- ▶ The employment of Dr. Kailash Gupta is contractual. The terms and conditions are subject to the contract (executive director’s agreement) entered between the company and the director.

2 Relative Directors – Dr. Kailash Gupta, Chairman cum Managing Director of the Company is father in law of Shri Ajay Gupta.

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

Place: Jabalpur
Date: 12th August 2013

Kailash Gupta
Chairman cum Managing Director



I Report on Corporate Governance

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

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

2. Board of Directors

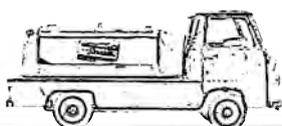
(a.) The composition of the Board of Directors is as follows:

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

The Board met 7 times during the year 2012-13 i.e. on 11th May, 2012, 14th June, 2012, 3rd August, 2012, 10th October, 2012, 1st November, 2012, 31st December, 2012, and 31st January, 2013.

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

Designation	Name of Director	Position	No of Board Meetings (Attendance)	Last AGM Attendance
Managing Director/ Chairman	Dr. Kailash Gupta	Promoter Executive	7	Present
Whole Time Executive Director	Mr. Ajay Gupta (Resigned on 26th March 2013)	Promoter Executive	7	Present
Director	Mr. Akhil Shri Prakash Awasthi (resigned on 18th March 2013)	Non-executive Nominee Director	3	Absent
Director	Mr. Sevantilal Popatlal Shah	Non-Executive Independent	4	Absent
Director	Mr. Sudhir Kumar Vadehra	Non-Executive Independent	1	Absent
Director	Mr. Ravi Gupta	Non-Executive Independent	7	Absent
Director	Mr. Praveen Kumar	Non-Executive Independent	1	Absent



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

Name of Director	Directorship held in other companies (including Private Companies)	Position held as Chairperson of Board Committee	Position held as Board Committee member
Dr. Kailash Gupta	11	-	-
Mr. Ajay Gupta	1	-	-
Mr. Akhil Shri Prakash Awasthi (note – he has resigned from CEBSCO on 18th March 2013, at that date he was director only in 1 other company. On 22.03.2013 he got appointed in another company. So as on 31.03.2013 he was director in 2 companies.)	2	-	-
Mr. Sevantilal Popatlal Shah	2	-	-
Mr. Sudhir Kumar Vadehra	2	-	-
Mr. Ravi Gupta	2	-	-
Mr. Praveen Kumar	-	-	-

(c.) No. of Shares held by the Directors: (position as on 31.03.2013)

Designation	Name of Director	Position	No. of Shares held	%
Managing Director/ Chairman	Dr. Kailash Gupta	Promoter Executive	12,645,780	23.02
Whole Time Executive Director	Mr. Ajay Gupta	Promoter Executive (resigned on 26th March, 2013)	11,281,270	20.53
Director	Mr. Akhil Shri Prakash Awasthi	Non-Executive Nominee Director (resigned on 18th March, 2013)	NIL	-
Director	Mr. Sevantilal Popatlal Shah	Non-Executive Independent	NIL	-
Director	Mr. Sudhir Kumar Vadehra	Non-Executive Independent	NIL	-
Director	Mr. Ravi Gupta	Non-Executive Independent	NIL	-
Director	Mr. Praveen Kumar	Non-Executive Independent	NIL	-



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

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

3. Audit Committee

(a.) Brief description of terms of reference of the Audit Committee include

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



(b.) Composition, name of members and chairperson.

The composition of the Audit Committee is as under

- (I) Mr. Ravi Gupta – Chairman
- (ii) Mr. Praveen Kumar
- (iii) Mr. Sevantilal Popatlal Shah

Mr. Akhil Awasthi - Nominee Director of the Tata Capital Growth Fund I was one of the Members; who resigned from the Board and all the Committees thereof effective from 18th March, 2013.

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

(c.) Audit Committee meetings were held on 11th May, 2012, 3rd August, 2012, 1st November, 2012, and 31st January 2013. The attendances of the members are as follows:-

Date of Audit Committee Meeting	Attendance of Directors			
	Mr. Ravi Gupta	Mr. S. P Shah	Mr. Praveen Kumar	Mr. Akhil Awasthi
11th May, 2012	Y	Y	Y	N
3rd August, 2012	Y	Y	N	Y
1st November, 2012	Y	Y	N	Y
31st January 2013	Y	Y	N	Y

Y-Attended N-Not Attended



4. Remuneration Committee

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

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

(b.) Remuneration Policy :

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

(c.) The committee consists of following directors:

- I Mr. Akhil Sriprakash Awasthi (resigned on 18th March 2013)
- i i Mr. Sevantilal Popatlal Shah
- iii Mr. Ravi Gupta

Note: Mr. Sudhir Vadehra has been appointed as a new member of the committee on 25th April, 2013 due to the vacancy created by the resignation of Mr. Akhil Sriprakash Awasthi.

During the year under review, 2 meetings of the Committee were held on 3rd August, 2012 and 1st November, 2012.

Date of Audit Committee Meeting	Attendance of Directors		
	Mr. Ravi Gupta	Mr. Akhil Awasthi	Mr. S P Shah
3rd August, 2012	Y	Y	Y
1st November, 2012	Y	Y	Y

Y-Attended N-Not Attended



(d.) Details of remuneration paid to the Managing Director and Whole Time Executive Director for the Financial Year 2012 -2013:

Name of Director	Dr. Kailash Gupta	Mr. Ajay Gupta
Designation	Chairman cum Managing Director	Whole Time Executive Director
Salary, contribution to Provident Fund, perquisites & commission (₹)	5,185,640/-	7,971,928/-

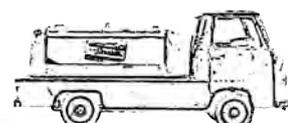
The above excludes amounts pertaining to gratuity for the year as the same is provided on the basis of the actuarial valuation for the Company as a whole.

(e.) Salient features of terms of appointment revised during with effect from 1st Nov, 2012

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

Note : The above terms of appointment have been approved by shareholders via Special Resolution passed at Extra Ordinary General Meeting held on 26th Nov, 2012.

(f.) No sitting fees were paid to any non-executive director for the financial year 2012-13



5. Shareholders / Investors Grievance Committee

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

- 1- Supervise investor relations and redressal of investor grievance in general and relating to non-receipt of dividends, interest and non-receipt of balance sheet in particular.
- 2- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

(a.) Composition:

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

(b.) Name and designation of Compliance Officer:

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

(c.) Details of requests received and redressed during the year 2012 - 13:

Particulars	Received	Attended	Pending
Postal return documents	-	-	-
Receipt of DD against refund order from company/Bank	-	-	-
Issue of duplicate R/O	-	-	-
Non receipt of refund order	-	-	-
Clarification regarding shares	-	-	-
Non Receipt of Annual report	1	1	-
TOTAL	1	1	-



6. General Body Meetings

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

Date	Location	Time	Details of any Special Resolution
28th July, 2010	Registered Office, Kanpur	04.00 P. M.	Nil
24th September, 2011	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	Nil
28th 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 for appointment of Mr. Praveen Kumar on the board of the Company

(b.) Details of date location and time of the Extra Ordinary General Meeting held in Financial Year 2012-13

Date	Location	Time	Details of any Special Resolution
26th November, 2012	Merchant's Chamber of Uttar Pradesh at 14/76, Civil Lines, Kanpur	1.30 P. M.	<ul style="list-style-type: none"> (i) Increase in Authorized Share Capital (ii) Amendment of Memorandum of Association (iii) To approve further issue of securities (iv) Re-appointment of Mr. Kailash Gupta as Chairman cum Managing Director and fixing his remuneration (v) Re-appointment of Mr. Ajay Gupta as Whole Time Executive Director and fixing his remuneration

(c.) Postal Ballots:

No resolution was passed by postal ballot in the year 2012-13.



7. Disclosures

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

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

8. Secretarial Audit

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

9. Means of Communication

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

Managements' discussion and analysis forms part of the Annual Report.



10. General Shareholder Information

1. Number of Annual General Meeting: 33rd Annual General Meeting
2. Date: 28th September, 2013
3. Day: Saturday
4. Time: 03.00 P.M.
5. Venue: U. P. Stock Exchange, Padam Towers, Civil Lines, Kanpur
6. Financial Year 2013 -14:

Particulars	Date
First Quarter Results	On or before August 14, 2013
Second Quarter Results	On or before November 14, 2013
Third Quarter Results	On or before February 14, 2014
Audited Annual Results	On or before May 30, 2014

7. Book Closure Date: 25th September, 2013 to 28th September, 2013(Both dates included)
8. The shares of the Company have been listed on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Delhi w.e.f. October 18, 2010. The listing fees for FY 2013-14 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 ₹

Month	Bombay Stock Exchange Limited				National Stock Exchange Limited			
	High Price ₹	Low Price ₹	SENSEX Highest	SENSEX Lowest	High Price ₹	Low Price ₹	Nifty 50 Highest	Nifty 50 Lowest
April, 2012	81.90	60.00	18040.69	16920.61	81.90	60.00	5378.75	5154.30
May, 2012	75.25	64.05	17664.10	17010.16	75.35	64.00	5279.60	4788.95
June, 2012	91.55	64.20	17432.33	15809.71	91.50	64.85	5286.25	4770.35
July, 2012	92.90	80.35	17448.48	15748.98	92.90	82.40	5348.55	5032.40
August, 2012	99.70	84.00	17631.19	16598.48	100.40	85.00	5448.60	5164.65
September, 2012	104.90	87.30	17972.54	17026.97	98.95	87.20	5735.15	5215.70
October, 2012	106.00	95.60	18869.94	17250.80	105.80	94.70	5815.35	4888.20
November, 2012	108.80	97.50	19137.29	18393.42	108.90	97.55	5885.25	5548.35
December, 2012	109.60	87.00	19372.70	18255.69	109.70	87.30	5965.15	5823.15
January, 2013	95.80	71.70	19612.18	19149.03	95.60	72.10	6111.80	5935.20
February, 2013	79.20	31.05	20203.66	19508.93	79.25	31.10	6052.95	5671.90
March, 2013	35.30	27.10	19966.69	18793.97	35.95	26.95	5971.20	5604.85

11. Registrar and Share Transfer Agents

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

12. Share Transfer System

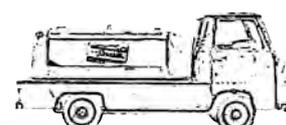
The entire share transfer system is handled by the Registrar and Transfer Agent (RTA) of the Company at the address given above. The RTA is equipped with all required infrastructure required for share transfer - physical and demat.

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



13. Shareholding Pattern as on 31.03.2013

Description	Cases	Shares	% Equity
BANKS	1	150,250	0.27
CLEARING MEMBERS	120	299,876	0.55
FOREIGN INSTITUTIONAL INVESTOR	5	488,654	0.89
H U F	293	600,049	1.09
INDIAN FINANCIAL INSTITUTIONS	1	2,000	0.00
BODIES CORPORATES	531	6,532,261	11.89
MUTUAL FUNDS	2	944,413	1.72
NON RESIDENT INDIANS	166	290,358	0.53
PROMOTERS BODIES CORPORATE	1	27,054	0.05
PROMOTER TRUST	3	3,213,443	5.85
PROMOTER INDIVIDUALS	4	27,424,670	49.91
RESIDENT INDIVIDUALS	11,096	8,956,535	16.30
TRUSTS	1	8,000	0.01
VENTURE CAPITAL FUND	1	6,005,401	10.93
TOTAL	12,225	54,942,964	100.00



14. Distribution of Shareholding as of 31.03.2013:

Distribution of Shares	No of Shareholders	Percentage to total no. of Shareholders	No. of Shares held	Percentage to total Shares
Upto 1 - 5000	9,375	76.69	15,103,85	2.75
5001 - 10000	1,256	10.27	10,423,72	1.90
10001 - 20000	629	5.15	9,948,43	1.81
20001 - 30000	279	2.28	7,144,47	1.30
30001 - 40000	118	0.97	4,240,61	0.77
40001 - 50000	138	1.13	6,595,54	1.20
50001 - 100000	194	1.59	14,279,19	2.60
100001 and above	236	1.93	481,693,83	87.67
TOTAL	12,225	100.00	549,429,64	100.00



15. Dematerialization of Shares and Liquidity

54,942,951 equity shares of the Company have been dematerialized as on 31.03.2013.

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

Place : Jabalpur
Date : May 28, 2013

For and on behalf of the Board of Directors

Kailash Gupta
Chairman & Managing Director



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

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

I Confirm that Company has in respect of the financial year ended March 31, 2013 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

Place : Jabalpur
Date : March 31, 2013

Sd/

Kailash Gupta
Chairman & Managing Director



| CEO & CFO CERTIFICATE

To,

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

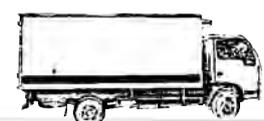
Dear Sir(s),

- A. This is to confirm that we have reviewed financial statements and the cash flow statement for the year 2012-13 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 violative of 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, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have 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) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there are no instances of significant fraud of which 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

Abhijit Kanvinde
Chief Financial Officer



I Auditors' Certificate on Corporate Governance

To the Members of Commercial Engineers & Body Builders Co Limited

We have examined the compliance of conditions of Corporate Governance by Commercial Engineers & Body Builders Co Limited, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For Deloitte Haskins & Sells

Chartered Accountants
(Firm Registration No. 117366W)

A.B. Jani

Partner
Membership No. 46488

Place : Mumbai
Date : 28th May, 2013



I INDEPENDENT AUDITOR'S REPORT

To The Members of Commercial Engineers & Body Builders Co Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Commercial Engineers & Body Builders Co Limited (the Company) which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act) and in accordance with the accounting principles generally accepted in India.. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



Report on Other Legal and Regulatory Requirements

- 1- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2- As required under provisions of Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
 - e. On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117366W)

Place : Mumbai
Date : 28th May, 2013

A.B. Jani
Partner
Membership No. 46488



Re: Commercial Engineers & Body Builders Co Limited ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) The nature of the Company's business/ activities/ results during the year are such that clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.

(ii)

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c. The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company.

(iii)

- a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.

(iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

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

- a. The Company has taken interest free unsecured loans from three parties during the year. The maximum amount involved during the year was ₹ 118,000,000/- and the year-end outstanding balance of loans taken from such parties was ₹ 68,000,000/-.
- b. The rate of interest and other terms and conditions of such loans are, in our opinion are prima facie, not prejudicial to the interest of the Company.
- c. The payments of principal amounts have been regular as per stipulations.

(v) *In our opinion and according to the information and explanations given to us, internal control system with regard to purchases of inventory, fixed assets (including capital work-in-progress) and sale of goods and services requires to be strengthened to be commensurate with the size of the Company and nature of its business with reference to timely and adequate maintenance of physical/electronic records for purchases and sales. During the course of our audit, we have not observed any major weakness in the internal control system except as stated above.*



- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- a. The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b. Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- (vii) The Company has not accepted any deposit from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.
- (x) According to the information and explanations given to us in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Entry Tax and other material statutory dues applicable to it with the appropriate authorities except for Value Added Tax (VAT) though the delays in deposit have not been serious.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Entry Tax and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - c. There were no dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes, except for following:



Name of statute	Nature of the dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	Central Excise Act, 1944	782.86	2012-13	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	288.27	2011-12	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	2,446.98	2010-11	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	572.96	2009-10	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	90.01	2008-09	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	486.23	2011-12	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	80.61	2010-11	Central Excise Commissioner, Jamshedpur
Sales Tax	M.P. Commercial Tax Act, 1994	46.37	2007-08	Additional Commissioner, Jabalpur
Sales Tax	Central Excise Act, 1956	7.94	2007-08	Additional Commissioner, Jabalpur
Sales Tax	M.P. Commercial Tax Act, 1994	45.56	2008-09	Additional Commissioner, Jabalpur
MP Entry Tax	Entry Tax on goods purchased	2.09	2007-08	Additional Commissioner, Jabalpur
MP Entry Tax	Entry Tax on goods purchased	22.24	2009-10	Additional Commissioner, Jabalpur

(xi) The Company has no accumulated losses as at the end of the year and it has not incurred cash losses in the current year and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions except for the payment of principle and interest on working capital facility and short-term loan from banks as follows:



Particulars	Due Date	Principle	₹ in Lacs)	
			Interest	Date of payment
Vendor finance facility	18-Mar-13	2,000,402	69,822	10-Apr-13
Vendor finance facility	18-Mar-13	849,756	29,660	10-Apr-13
Vendor finance facility	18-Mar-13	5,000,000	174,521	10-Apr-13
Vendor finance facility	19-Mar-13	4,000,000	138,274	10-Apr-13
Short-term Loan	31-Mar-13	18,900,000	1,444,316	3-Apr-13

- (xiii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us, the term loans availed by the Company were, prima facie, applied during the year for the purpose for which the loans were obtained.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Management has disclosed the end use of money raised by public issue in the Notes to the financial statements and we have verified the same.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

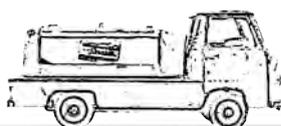
For Deloitte Haskins & Sells

Chartered Accountants
(Firm Registration No. 117366W)

A.B. Jani

Partner
Membership No. 46488

Place : Mumbai
Date : 28th May, 2013



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

Commercial Engineers & Body Builders Co Limited

Balance Sheet as at 31st March, 2013

Particulars	Note No.	₹ in Lacs	
		As at 31st March, 2013	As at 31st March, 2012
(i) EQUITY AND LIABILITIES			
1- Shareholders' funds			
(a) Share capital	3	5,494.30	5,494.30
(b) Reserves and surplus	4	21,908.89	20,315.46
		27,403.19	25,809.76
2- Non-current liabilities			
(a) Long-term borrowings	5	5,599.37	2,968.89
(b) Deferred tax liabilities (net)	6	1,811.50	854.26
(c) Other long-term liabilities	7	34.23	58.18
		7,445.10	3,881.33
3- Current liabilities			
(a) Short-term borrowings	8	10,053.84	8,107.38
(b) Trade payables	9	11,452.51	6,900.41
(c) Other current liabilities	10	5,191.60	1,574.94
(d) Short-term provisions	11	830.52	464.60
		27,528.47	17,047.33
TOTAL		62,376.76	46,738.42



		(₹ in Lacs)	
Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
(ii) ASSETS			
1- Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		31,150.58	17,744.90
(ii) Intangible assets		20.74	4.11
(iii) Capital work-in-progress		947.48	5,394.22
		32,118.80	23,143.23
(b) Non-current investments	13	60.03	60.03
(c) Long-term loans and advances	14	848.07	1,701.08
(d) Other non-current assets	15	140.32	139.78
		33,167.22	25,044.12
2- Current assets			
(a) Current investments	16	-	8.86
(b) Inventories	17	6,701.30	4,970.06
(c) Trade receivables	18	14,674.22	10,374.63
(d) Cash and cash equivalents	19	3,398.31	561.30
(e) Short-term loans and advances	20	4,212.01	5,762.23
(f) Other current assets	21	223.70	17.23
		29,209.54	21,694.31
See accompanying notes forming part of the financial statements	TOTAL	62,376.76	46,738.43



In terms of our report attached.

**For Deloitte Haskins & Sells
Chartered Accountants**

A.B. Jani
Partner

Kailash Gupta
Chairman & Managing Director

Ravi Gupta
Director

Abhijit Kanvinde
Chief Financial Officer

Anurag Misra
Company Secretary

Place : Mumbai
Date : May 28, 2013

Place : Mumbai
Date : May 28, 2013



Commercial Engineers & Body Builders Co Limited

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	₹ in Lacs)	
		For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
(I) Revenue			
(a) Revenue from operations (gross)	22	59,041.79	65,373.18
Less: Excise duty		8,751.64	18,509.60
Revenue from operations (net)		50,290.15	46,863.58
(b) Other income	23	138.41	227.12
Total Revenue		50,428.56	47,090.70
(II) Expenses			
(a) Cost of materials consumed	24a	40,731.70	32,435.47
(b) Changes in inventories of finished goods and work-in-progress	24b	(3,208.89)	2,469.91
(c) Other Manufacturing Expenses	25	1,736.45	1,895.78
(d) Employee benefits expense	26	1,286.39	1,495.72
(e) Finance costs	27	1,613.53	931.64
(f) Depreciation and amortisation expense	12	1,670.31	637.23
(g) Other expenses	28	3,248.96	1,546.79
Total Expenses		47,078.45	41,412.54
(III) Profit before Tax (I-II)		3,350.11	5,678.16



Particulars	Note No.	₹ in Lacs	
		For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
(IV) Tax expense:			
(a) Current tax		924.25	1,126.57
(b) Less: MAT credit		(351.70)	-
(c) (Excess) Provision of Tax relating to prior years		(30.24)	(267.55)
Net current tax expense (a-b+c)		542.31	859.02
(d) Deferred tax		957.24	738.95
Total Tax Expense		1,499.55	1,597.97
(V) Profit After Tax (III-IV)		1,850.56	4,080.19
(VI) Earnings per share (of ₹ 10/- each):			
Basic and Diluted (in Rupees)		3.37	7.43
See accompanying notes forming part of the financial statements.			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

A.B. Jani
Partner

Kailash Gupta
Chairman & Managing Director

Ravi Gupta
Director

Abhijit Kanvinde
Chief Financial Officer

Anurag Misra
Company Secretary

Place : Mumbai
Date : May 28, 2013

Place : Mumbai
Date : May 28, 2013



Commercial Engineers & Body Builders Co Limited

Cash Flow Statement for the year ended 31st March, 2013

Particulars	₹ in Lacs	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
A Cash Flow from operating activities		
Net Profit before Tax	3,350.11	5,678.16
Depreciation	1,670.31	637.23
Loss on fixed assets written off	-	12.05
Investments written off	-	2.60
Loss on Sale of Investments	-	3.83
Provision for Doubtful debts/Advances	1,063.23	6.98
Bad Debts/Advances written off	39.02	0.46
Entry Tax in respect of earlier years (Refer Note 32)	979.12	-
Interest and Finance Charges	1,613.53	950.57
Profit on Sale of Fixed Assets	(4.49)	-
Interest Income	(88.98)	(140.40)
Dividend income	(2.80)	(51.92)
Exchange rate Difference	22.82	-
Provision for Diminution in value of Investment written back	-	(6.43)
Provision for Doubtful Debts/ Advances written back	(23.97)	(1.17)
Liabilities / provisions no longer required written back	(1.05)	(0.45)
Operating Profit before working capital changes	8,616.85	7,091.51



Commercial Engineers & Body Builders Co Limited

Cash Flow Statement for the year ended 31st March, 2013

Particulars	₹ in Lacs	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Changes in working capital:		
(Decrease)/ Increase in Inventories	(1,731.24)	1,945.75
(Increase) in Trade and Other Receivable	(4,814.64)	(4,518.69)
Increase in Trade Payable and Other Liabilities	4,287.47	1,601.88
Cash generated from operations	6,358.44	6,120.45
Taxes Paid (Net of refund)	(498.38)	(447.03)
Net Cash from operating activities	5,860.06	5,673.42
B Cash Flow from Investing Activities		
Interest Received	70.91	140.40
Dividend Received	2.80	51.92
Proceeds from Sale of Fixed assets	21.12	24.29
Inter Corporate Deposits Received back/ (given)	500.00	(1,500.00)
Proceeds from Sale of Investments	8.86	3,767.80
Purchase of Fixed Assets	(7,266.26)	(15,738.72)
Net Cash used in Investing activities	(6,662.57)	(13,254.31)



Commercial Engineers & Body Builders Co Limited

Cash Flow Statement for the year ended 31st March, 2013

Particulars	₹ in Lacs	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
C Cash Flow from Financing Activities		
Proceeds from Short Term Borrowings	2,664.80	3,541.44
Repayment of Short Term Borrowings	(718.34)	-
Proceeds from Long Term Borrowings	3,240.54	2,957.10
Repayment of Long Term Borrowings	(18.13)	(21.05)
Interest and Finance Charges Paid	(1,529.36)	(931.69)
Net Cash from Financing Activities	3,639.51	5,545.80
Net (decrease)/increase in cash and cash equivalents	2,837.01	(2,035.08)
Cash and cash equivalents as on 31st March, 2012	561.30	2,596.39
Cash and cash equivalents as on 31st March, 2013	3,398.31	561.30

Notes:

- 1** Components of cash and cash equivalents include cash and bank balances as stated in Note 19.
- 2** Cash and cash equivalents as at 31st March, 2013 include following balances, use of which is restricted:

(a) Deposit receipts aggregating to ₹ 1,046.81 Lacs (previous Year ₹ 121.14 Lacs) are under lien with bank against performance guarantee and credit facilities from bank (Also refer Note 15).

(b) Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to ₹ 55.98 lacs (Previous Year ₹ 220.28 lacs)

(c) Balance with Scheduled Banks includes Nil (Previous year ₹ 2.29 lacs) of unutilised monies raised by Initial Public Offer (IPO).



Commercial Engineers & Body Builders Co Limited

Cash Flow Statement for the year ended 31st March, 2013

3 Purchase of Fixed Assets is considered as part of the investing activities.

4 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement" (AS 3) as notified under the Companies (Accounting Standards) Rules, 2006.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

A.B. Jani
Partner

Kailash Gupta
Chairman & Managing Director

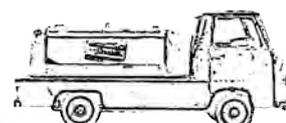
Ravi Gupta
Director

Abhijit Kanvinde
Chief Financial Officer

Anurag Misra
Company Secretary

Place : Mumbai
Date : May 28, 2013

Place : Mumbai
Date : May 28, 2013



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 1 :Background of the Company

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

Note 2:Significant accounting policies

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

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

(b) Use of Estimates:

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

(c) Fixed Assets:

Tangible assets:

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

Intangible assets:

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

(d) Depreciation and Amortization:

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

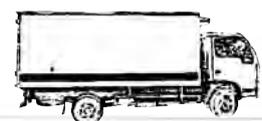


Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

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

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



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

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

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

(iii) Depreciation on assets acquired/purchased during the year is provided on pro-rata basis from the date of each addition.

(iv) Assets having value of ₹ 5000/- or less are charged off fully in the year of purchase.

(v) Computer Software is amortized over the period of three years.

(e) Impairment of Assets:

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



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

(f) Revenue recognition:

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.

(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 direct factory overheads

Finished goods : On weighted average basis, attributable 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 Statement of profit and loss.

(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.



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

(j) Employee Benefits :

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

(i) Defined contribution Plan:

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

(ii) Defined Benefit Plan :

The Company's Liability towards Defined Benefit Plan in the form of Gratuity is funded through schemes administered by the Life Insurance Corporation of India (LIC). The liability determined on the basis of actuarial valuation being carried out at each Balance Sheet date using the Projected Unit Credit Method. The retirement benefit obligation recognised in the Balance Sheet represents the total of present value of the defined benefit obligation as reduced by unrecognised 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 recognised 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 recognised 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 capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

(l) Income tax:

a. Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates.

b. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same.



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

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).

(m) Investments:

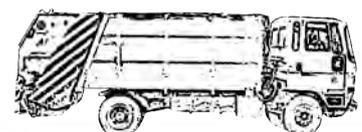
Investments classified as long term (non-current) investments are stated at costs. Provision is made to recognize a diminution, other than temporary, in the value of such investments. Investments classified as current investments are stated at lower of cost and fair value.

(n) Operating Leases

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

(o) Provisions and contingencies:

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



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 3: Share Capital

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Authorised :		
75,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 10/- each	7,500.00	6,000.00
5,000 Preference Shares of ₹ 100/- each	5.00	5.00
	7,505.00	6,005.00
Issued, Subscribed and Paid-up :		
54,942,964 Equity Shares of ₹ 10/- each fully paid-up	5,494.30	5,494.30
Total	5,494.30	5,494.30



Notes:

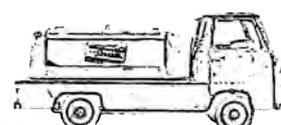
(a) All Equity Shares carry similar voting rights and have an equal right to dividend and in case of repayment of capital.

(b) Reconciliation of the number of shares outstanding as at beginning and end of the year:

Particulars	₹ in Lacs		
	Opening Balance	Fresh Issue	Closing Balance
Equity Shares			
Year ended 31 March, 2013			
▶ Number of shares	54,942,964	-	54,942,964
▶ Amount (₹) Lacs	5,494.30	-	5,494.30
Year ended 31 March, 2012			
▶ Number of shares	54,942,964	-	54,942,964
▶ Amount (₹) Lacs	5,494.30	-	5,494.30

(c) Details of Equity Shares held by each shareholder holding more than 5% of shares:

Class of shares / Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares of ₹ 10/- Each Fully Paid - up				
Dr. Kailash Gupta	12,645,780	23.02%	12,645,780	23.02%
Mr. Ajay Gupta	11,281,270	20.53%	11,281,270	20.53%
Mrs. Rekha Gupta	3,439,590	6.26%	3,439,590	6.26%
Jashn Beneficiary Trust	3,213,443	5.85%	3,213,443	5.85%
Tata Capital Growth Fund (I)	6,005,401	10.93%	6,005,401	10.93%
New York Life Investment Management India Fund (FV)	-	-	4,018,396	7.31%



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

(d) Issue of Bonus Shares :

- ▶ 36,767,760 Equity Shares of ₹ 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.

(e) Conversion of Preference Shares :

- ▶ 142,789 Equity Shares have been issued in an earlier year upon conversion of 3,000 Mandatorily Convertible Preference Shares of ₹ 100/- each as per agreed terms.

Note 4: Reserves and Surplus

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
(a) Capital Reserve		
As per Last Balance Sheet	8.72	8.72
(b) Securities Premium Account		
As per Last Balance Sheet	12,837.80	12,837.80
(c) General Reserve		
As per Last Balance Sheet	9.80	9.80
(d) Balance in Statement of Profit and Loss		
Opening Balance	7,459.14	3,378.95
Add: Profit for the year	1,850.56	4,080.19
Less: Dividends proposed to be distributed to equity shareholders (₹ 0.40 per share)	219.78	-
Less: Tax on dividend	37.35	-
Closing balance	9,052.57	7,459.14
Total	21,908.89	20,315.46



Note 5: Long-term Borrowings

Particulars	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Secured		
(a) From Banks		
Term Loan	-	11.53
Vehicle Loan	-	0.26
External Commercial Borrowing (ECB)	5,599.37	2,957.10
TOTAL	5,599.37	2,968.89

(i) Nature of Security
(a) Term Loan is secured by: -

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

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

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

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

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

(ii) Terms of Repayment
(a) Term Loan: -

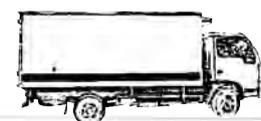
Term Loan is repayable in 84 monthly equal installments commencing 30/04/2006. Current maturity of the term loan is disclosed as "Other Current Liabilities" in Note 10.

(b) Vehicle Loan: -

Vehicle Loan from State Bank of India is repayable in 36 monthly equal installments from the date of disbursement i.e. 29/07/2010. Current maturity of the vehicle loan is disclosed as "Other Current Liabilities" in Note 10.

(c) ECB Loan: -

Repayable in quarterly 20 equal installments starting from 21st month from the date of 1st disbursement i.e 17/02/2012.



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 6: Deferred Tax Liability (Net)

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,201.22	796.68
Others	-	57.58
	2,201.22	854.26
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts and advances	361.39	-
Disallowances under Section 40(a)(i), 43B of the Income-Tax Act, 1961	28.33	-
	389.72	-
Total	1,811.50	854.26
Net Deferred Tax Liability	1,811.50	854.26

Note 7: Other Long-term Liabilities

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Security Deposits Received	34.23	58.18
Total	34.23	58.18



Note 8: Short-Term Borrowings

Particulars	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Secured		
a) From Banks		
Cash Credits Facilities	3,447.37	1,462.57
Working Capital Loans	4,364.47	4,633.87
Short Term Loan	1,562.00	2,010.94
Unsecured		
a) From Others		
Loans and Advances from Related Parties (Refer Note 38)	680.00	-
TOTAL	10,053.84	8,107.38

(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:**

- 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
- First Pari-Passu charge on movable fixed assets of the Company
- Equitable Mortgage of flat no. 14,5,2,3,6,7,9,10,8 Mouza Hathital, Gorakhpur, Jabalpur.
- 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 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

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Period of default	Amount	Period of default	Amount
Working capital loans				
Principal	14 Days	78.50	-	-
Interest	14 Days	2.74	-	-
Principal	13 Days	40.00	-	-
Interest	13 Days	1.38	-	-
Short term loan				
Principal	1 Day	189.00	-	-
Interest	1 Day	14.44	-	-

Note 9: Trade Payables

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 35)	4.66	8.20
Total outstanding of other than Micro Enterprises and Small Enterprises	11,447.85	6,892.21
Total	11,452.51	6,900.41



Note 10: Other Current Liabilities

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
(a) Current maturities of long-term debt (Refer Note (i) below)	635.80	21.05
(b) Interest accrued but not due on borrowings	74.63	19.04
(c) Interest accrued but not due on forward currency contract	29.26	19.25
(d) Interest accrued and due on short term loan	18.57	-
(e) Overdrawn bank balances as per books	34.55	-
(f) Other payables		
(i) Statutory Liabilities	79.25	532.94
(ii) Payables on purchase of fixed assets	4,274.70	878.44
(iii) Interest on Statutory Payments	24.16	37.30
(iv) Advances from customers	20.68	66.92
TOTAL	5,191.60	1,574.94

Note (i): Current maturities of long-term debt (Refer Notes 5 (i)(a), (b) and (c) for details of securities):



Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Secured		
From Banks		
Term Loan	13.95	15.10
Vehicle Loan	0.76	4.49
External Commercial Borrowing	621.09	-
	635.80	19.59
From Others		
Vehicle Loan	-	1.46
TOTAL	635.80	21.05



Note 11: Short-term Provisions

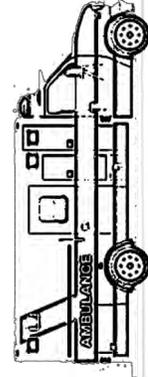
Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
(a) Provision for Employee Benefits:		
(i) Provision for Compensated Absences	43.41	39.81
(ii) Provision for Gratuity (net) (Refer Note 36(b))	23.28	8.83
	66.69	48.64
(b) Other Provisions		
(i) Provision for Income-tax (Net of Advance Tax)	506.71	415.96
(ii) Provision for proposed equity dividend	219.77	-
(iii) Provision for tax on proposed dividend	37.35	-
TOTAL	830.52	464.60

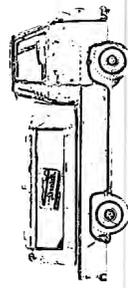


Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements
 Note: 12 Fixed Assets

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK
	As at 01/04/2012	Additions	Deductions	As at 31/03/2013	Up to 01/04/2012	For The Year	
(i) Tangible Assets							
Land							
Leasehold Land	133.01	-	-	133.01	17.90	4.43	22.33
(Previous Year)	(133.01)	-	-	(133.01)	(13.47)	(4.43)	(17.90)
Free Hold Land	635.31	11.42	-	646.73	-	-	-
(Previous Year)	(324.37)	(310.94)	-	(635.31)	-	-	-
Buildings							
Factory Building	4,362.90	2,214.21	-	6,577.11	414.69	204.20	618.89
(Previous Year)	(1,174.92)	(3,210.43)	(24.34)	(4,361.01)	(315.60)	(102.27)	(414.69)
Non Factory Building	13.60	1.22	-	14.82	10.66	0.52	11.18
(Previous Year)	(15.49)	-	-	(15.49)	(10.12)	(0.54)	(10.66)
Residential Flat	6.39	-	-	6.39	5.48	0.05	5.53
(Previous Year)	(4.82)	-	-	(4.82)	-	-	-
							0.86





(ii) Intangible Assets									
(Previous Year)	(6.39)	-	-	(6.39)	(5.43)	(0.05)	-	(5.48)	(0.91)
Plant And Machinery	14,273.73	12,535.22	12.72	26,796.23	1,427.66	1,389.76	9.75	2,807.67	23,988.56
(Previous Year)	(3,752.08)	(10,521.65)	-	(14,273.73)	(959.93)	(467.05)	(-0.68)	(1427.66)	(12,846.07)
Electrical Installations	146.19	288.80	-	434.99	69.26	33.31	-	102.57	332.42
(Previous Year)	(129.88)	(25.86)	(9.55)	(146.19)	(55.36)	(15.64)	(1.74)	(69.26)	(76.93)
Furniture and Fixture	48.71	12.01	-	60.72	25.53	5.55	-	31.08	29.64
(Previous Year)	(31.10)	(22.50)	(4.89)	(48.71)	(17.49)	(8.65)	(0.62)	(25.52)	(23.18)
Office Appliances, Canteen & Other Equipments	53.66	5.95	0.20	59.41	26.19	7.03	0.10	33.12	26.29
(Previous Year)	(34.78)	(20.52)	(1.64)	(53.66)	(18.86)	(7.66)	(0.33)	(26.19)	(27.47)
Vehicles	102.31	16.78	29.64	89.45	53.71	10.98	16.08	48.61	40.84
(Previous Year)	(77.84)	(24.47)	-	(102.31)	(42.53)	(11.17)	-	(53.70)	(48.60)
Computers	93.67	2.79	-	96.46	73.50	10.26	-	83.76	12.70
(Previous Year)	(77.70)	(18.55)	(2.58)	(93.67)	(62.13)	(12.84)	(1.47)	(73.50)	(20.17)
Total (A)	19,869.48	15,088.40	42.56	34,915.32	2,124.58	1,666.09	25.93	3,764.74	31,150.58
Previous Year	(5,757.56)	(14,154.92)	(43.00)	(19,869.48)	(1,500.94)	(630.30)	(6.66)	2,124.58	(17744.90)



Computer Software	25.21	20.85	-	46.05	21.10	4.22	-	25.32	20.74
(Previous Year)	(22.71)	(2.50)	-	(25.21)	(14.16)	(6.93)	-	(21.10)	(4.11)
Total (B)	25.21	20.85	-	46.05	21.10	4.22	-	25.32	20.74
Previous Year	(22.71)	(2.50)	-	(25.21)	(14.16)	(6.93)	-	(21.10)	(4.11)
(!!!) Capital Work In Progress ©									947.48
Previous Year									(5394.22)
Total (A+B+C)									32,118.80
Previous Year									23,143.23

Notes: 1) Vehicles include cars aggregating to ₹ 12.62 Lacs (Previous Year ₹ 18.30 Lacs) purchased under vehicle loan cum hypothecation agreement over which the lenders have a lien.
 2) Also refer Note 40 for borrowing cost included in Fixed Assets.

Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 13: Non-current Investments

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Other Investments (at Cost unless stated otherwise)		
Investment in Equity Shares of Associates (Unquoted)		
30,000 Equity Shares of Tirupati Services Ltd. of ₹ 10/- each fully Paid-up	0.76	0.76
62,920 Equity Share of Kailash Motors Finance Limited of ₹ 100/- each fully Paid-up	62.92	62.92
Less: Provision for diminution in value of investments	15.75	15.75
	47.17	47.17
1,000 Equity Share of Kailash Motors Pvt. Ltd. of ₹ 10/- each fully Paid-up	0.10	0.10
120,000 Equity Shares of Tirupati Equipments Pvt Ltd. of ₹ 10/- each fully Paid-up	12.00	12.00
TOTAL	60.03	60.03

1 Aggregate Amount of Un-quoted investments

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Cost	75.78	75.78

2 Aggregate Amount Diminution in Value of Investments

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Total Amount of Diminution in Investments	15.75	15.75



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 14: Long-term Loans and Advances

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Capital advances	268.01	1,355.89
Security deposits	188.98	302.16
Loan to Employees	1.21	4.86
MAT credit entitlement	389.87	38.17
TOTAL	848.07	1,701.08

Note 15: Other Non-current Assets

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
(a) Term Deposits maturing after 12 months (Refer Note below)	140.32	139.78
TOTAL	140.32	139.78

Note

Term deposits are having a maturity of more than 12 months from the Balance Sheet date and are under lien with the bank against performance guarantee.



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 16: Current Investments (At Lower of Cost and Fair Value)

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Current Investments (un-quoted)		
Investment in Mutual Funds:		
Nil (Previous Year 6,204.315) Units of HDFC Cash Management Fund Weekly Dividend of ₹ 10/- each	-	0.45
Nil (Previous Year 63,892.78) Units of Reliance Medium Term Fund (Weekly Dividend) of ₹ 10/- each	-	8.41
TOTAL	-	8.86

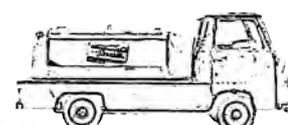
Note

Investments in Mutual Funds are made out of the balance of unutilised fund raised by IPO.

Note 17: Inventories

(At lower of cost and net realisable value)

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Raw materials	1,580.86	3,049.18
Work-in-progress	4,992.09	1,772.91
Stores and spares	107.65	116.99
Scrap	20.70	30.98
TOTAL	6,701.30	4,970.06



Commercial Engineers & Body Builders Co Limited

Note 18: Trade Receivables

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	184.99	257.07
Unsecured, considered doubtful	2.78	2.44
	187.77	259.51
Other Trade receivables		
Unsecured, considered good	14,489.23	10,117.56
	14,677.00	10,377.07
Less: Provision	2.78	2.44
TOTAL	14,674.22	10,374.63

Note: Trade Receivables include amounts due from:

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Firms/Companies in which any Director is a Partner/Director: -		
Commercial Body Builders	-	0.34
J. N. Auto Limited	-	102.66
TOTAL	-	103.00



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 19: Cash and Cash Equivalents

Particulars	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
(a) Cash on hand	9.05	12.46
(b) Balances with banks		
(i) In Current Accounts	286.47	208.30
(ii) In Term Deposit Accounts	3,102.79	333.19
(iii) In Overdraft Account	-	7.35
TOTAL	3,398.31	561.30

Notes: -

- 1- Deposit receipts aggregating to ₹ 1046.81 Lacs (previous Year ₹ 121.14 Lacs) are under lien with bank against performance guarantee and credit facilities from bank (Also refer Note 15).
- 2- Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to ₹ 55.98 lacs (Previous Year ₹ 220.28 lacs)
- 3- Term Deposits include deposits amounting to ₹ Nil (Previous year ₹ 251.55 lacs) which have an original maturity of more than 12 months.
- 4- Balance with Scheduled Banks includes ₹ Nil (Previous year ₹ 2.29 lacs) of unutilised monies raised by Initial Public Offer (IPO).



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 20: Short-term Loans and Advances

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Loan to Employees	33.48	38.23
Inter-corporate deposits (Refer Note 45)	-	1,500.00
Advances to Suppliers	143.11	214.06
Prepaid Expenses	19.83	31.24
Balances with Government Authorities	2,971.14	2,878.22
Advance Income-tax (Net of Provisions)	87.29	131.22
Excise duty refund claim (Refer Note 47)	162.50	-
Statutory Dues paid under Protest (Refer Note 30)	788.60	905.64
Others		
Provident Fund Receivable	5.00	63.00
Accrued Income	1.06	0.62
	4,212.01	5,762.23
Unsecured, considered Doubtful		
Inter-corporate deposits (Refer Note 45)	1,000.00	-
Provident Fund Receivable	58.00	-
Advance to Suppliers	2.45	21.53
	1,060.45	21.53
Less: Provision	1,060.45	21.53
TOTAL	4,212.01	5,762.23

Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 21: Other current assets

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Interest accrued but not due on bank deposits	35.30	17.23
Security deposits	188.40	-
TOTAL	223.70	17.23

Note 22: Revenue from Operations

Particulars	(₹ in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of Manufactured Goods (Refer Note (1) below)	58,494.15	64,699.00
Sale of Services (Refer Note (2) below)	54.59	116.78
Other Operating Revenues (Refer Note (3) below)	493.05	557.40
	59,041.79	65,373.18
Less:		
Excise duty	8,751.64	18,509.60
TOTAL	50,290.15	46,863.58



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note:

(i) Sale of Manufactured Goods:

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of Built Bodies	21,124.99	46,229.78
Other Component Sales	37,369.16	18,469.22
TOTAL	58,494.15	64,699.00

(ii) Sale of Services:

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Job Work Charges	54.59	116.78
TOTAL	54.59	116.78

(iii) Other Operating Revenues:

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of Scrap	463.31	379.38
Income from Transportation	29.74	168.74
Sales Tax Incentive Received	-	9.28
TOTAL	493.05	557.40



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 23: Other Income

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Income (Refer Note (i) below)	88.98	140.40
Dividend income on Current Investments	2.79	51.92
Other non-operating income (Refer Note (ii) below)	46.64	34.80
TOTAL	138.41	227.12

Note:

(i) Interest Income Comprises of :

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest on bank deposits	78.78	135.96
Interest on loans and advances	-	2.72
Interest on trade receivables	1.84	-
Interest on Income-tax refund	5.41	-
Interest on other deposits	2.95	1.72
TOTAL	88.98	140.40



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

(ii) Other Non-operating Income comprises of:

Particulars	(` in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Rental income	0.78	4.28
Profit on sale of fixed assets	4.49	-
Provisions for diminution of investments written back	-	6.43
Provisions for Doubtful debts/ Advances written back	23.97	1.17
Liabilities / provisions no longer required written back	1.04	0.45
Miscellaneous income	16.36	22.47
TOTAL	46.64	34.80



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement.

Note 24a: Cost of Materials Consumed

Particulars	(₹ in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Opening stock	3,166.16	2,642.01
Add: Purchases	39,481.77	33,551.12
Less: Sale of Raw Materials	227.72	591.49
	42,420.21	35,601.63
Less: Closing stock	1,688.51	3,166.16
Cost of Material Consumed	40,731.70	32,435.47
Material consumed comprises:		
Iron and Steel (Sheets and Components)	33,493.89	22,763.12
Hydraulic Jacks	2,059.35	5,930.45
Other items	5,178.46	3,741.90
TOTAL	40,731.70	32,435.47

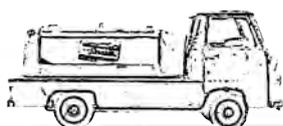


Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement

Note 24b: Changes in Inventories of Finished Goods and Work-in-Progress.

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Inventories at the end of the year:		
Work-in-progress	4,992.08	1,772.91
Scrap	20.70	30.98
	5,012.78	1,803.89
Inventories at the beginning of the year:		
Work-in-progress	1,772.91	4,252.08
Scrap	30.98	21.72
	1,803.89	4,273.80
Net (increase)/decrease	(3,208.89)	2,469.91



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement

Note 25: Other Manufacturing Expenses

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Labour charges	1,117.47	1,136.01
Power and fuel	279.79	359.19
Entry Tax (Refer Note 32)	41.69	-
Repairs and Maintenance :		
Machinery	54.12	74.80
Buildings	18.51	33.65
Others	50.88	108.89
Excise duty	173.99	183.24
TOTAL	1,736.45	1,895.78

Note 26: Employee Benefits Expense

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Salaries and wages	1,123.23	1,275.39
Contributions to provident and other funds	63.92	76.03
Staff welfare expenses	99.24	144.30
TOTAL	1,286.39	1,495.72



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement
Note 27: Finance Costs

Particulars	₹ in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
(a) Interest expense on:		
(i) Borrowings	1,372.86	607.15
(ii) Others		
On Vendor financing	61.53	114.77
On Statutory Payments	15.23	94.91
To Others	22.99	-
Less: - Interest capitalised (Refer Note 40)	-	(18.93)
	1,472.61	797.90
(b) Other borrowing costs		
Expenses for loan arrangement, bill discounting and bank charges	140.92	526.46
Less:- Capitalised (Refer Note 40)	-	(392.72)
	140.92	133.74
TOTAL	1,613.53	931.64



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement

Note 28: Other Expenses

Particulars	₹ in Lacs	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Rent including lease rentals	31.86	50.00
Insurance	26.80	15.11
Rates and taxes	91.16	49.52
Postage and Telephone Expenses	16.88	16.92
Travelling and conveyance	102.76	119.43
Vehicle Running Expenses	28.80	34.84
Printing and stationery	12.50	17.63
Freight Charges	194.59	268.54
Discount given	107.30	362.11
Sales Expenses	146.29	155.78
Security Charges	59.88	66.98
Donation	0.07	25.31
Legal and professional fees	220.00	179.53
Filing Fees	7.70	-
Entry Tax in respect of earlier Years (Refer Note 32)	979.12	-
Provisions for doubtful receivables/ short term-advances	1,063.23	6.98
Bad debts and advances written off	39.02	0.46
Loss on fixed assets written off	-	12.05
Share of Profit in Joint Venture transferred (Refer Note 33)	16.04	79.33



Commercial Engineers & Body Builders Co Limited

Notes Forming part of the Financial Statement

Particulars	₹ in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Non current-Investments written off	-	2.60
Loss on Sale of Non current-Investments	-	3.83
Exchange Rate Fluctuation (Net)	22.82	2.71
Miscellaneous Expenses*	82.14	77.13
TOTAL	3,248.96	1,546.79

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

Note

(i) Payment to Auditors (Excluding Service Tax)

Particulars	₹ in Lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Audit Fees - Statutory audit	16.50	13.00
Out of Pocket Expenses	0.35	0.32
Any other matters (Certification etc.)	15.20	2.00
TOTAL	32.05	15.32



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 29: 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 2013 aggregate to ₹ 1650.93 Lacs (Previous Year, ₹ 1022.30 Lacs)

Note 30: Contingent liabilities

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
(a) Disputed demands of following authorities:		
Income-tax	-	26.21
Excise duty (₹ 405.67 Lacs (Previous Year ₹ 19.41 lacs) paid under protest) (Also Refer note below)	5,182.77	4,955.86
Sales tax/ Entry Tax (₹ 47.79 lacs (Previous Year ₹ 27.51) paid under protest)	171.99	138.78
(The Company has contested these demands before various authorities and is hopeful of success in the respective matters)	-	-
(b) Claims against the Company not acknowledged as debt	23.32	-
(c) Bank Guarantee (Given as performance guarantee)	805.22	465.84
(d) Letters of Credit (L/C)	421.38	996.66
TOTAL	6,604.68	6,583.35

Note:

Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 01.03.2007, the Company has started paying differential Excise Duty on sales made to a customer (which is the subject matter of dispute in the aforesaid demands) since September'2010 under protest. The aggregate of such payment made under protest up to the year-end amounts to ₹ 337.81 Lacs (Previous year - ₹ 238.62 lacs).



Commercial Engineers & Body Builders Co Limited

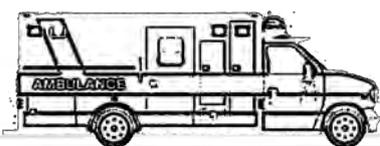
Notes forming part of the financial statements

Note 31: Operating lease rent expenses for the period in respect of lease agreements entered from April 1, 2008.

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Lease rent for Factory Land	4.19	4.19

Future Minimum Lease Payments under Non-Cancellable Operating Lease:

Particulars	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Due not later than one year	4.19	4.19
Due later than one year and not later than five year	16.76	16.76
Due later than five year	105.51	109.70



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 32: 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 has already deposited Entry tax aggregating to ₹ 1,015.86 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 is pending for hearing for a long time and further the probability of availing relief is reduced due to the passage of time, the Company during the last quarter after obtaining expert opinion decided to charge-off the amounts of entry tax paid under protest relating to the period from April 2007 to March 2012, aggregating to ₹ 979.12 lacs. The same are included under 'Other Expenses' in Note 28. Entry tax relating to the period from April 2012 to March 2013 aggregating to ₹ 41.15 lacs, being on account of raw material purchases have been disclosed as 'Other Manufacturing Expenses' in Note 25.

Note 33: The Company has an agreement with a party for the purpose of engaging into a Jointly Controlled Operations (JCO) to manufacture market and sell fabricated automobile bodies and components to Original Equipment Manufacturers and to other customers, at Jamshedpur. As per the agreement, the Company and the other venture have agreed to share the distributable cash flow from the JCO after paying all taxes in the ratio of 60:40 respectively. In addition to the above, the Company is required to pay a fixed sum for grant of license to use the factory premises of the other venture for the purposes of the operations as follows:

- ▶ In year 1 – ₹ 300,000 per month
- ▶ In year 2 – ₹ 315,000 per month
- ▶ In year 3 – ₹ 330,750 per month

During the year the Company has entered into a Memorandum of Understanding (MOU) with the above party for purchase of its factory premises (including land) for a total consideration of ₹ 1,518 lacs. Accordingly an advance of ₹ 218 lacs has been paid to the party which is disclosed under 'Capital Advances' in Note 14. As per the MOU, the balance amounts had to be paid in instalments by 31st March, 2013. However, due to the on-going negotiations, no further payments were made to the party. The Company has, however provided for the interest on these overdue amounts aggregating to ₹ 22.43 lacs as per the terms of MOU and disclosed as Finance charges in Note 27. Formalities for the transfer of ownership in the name of the Company would be completed on full and final payment being made. Pursuant to this agreement Joint venture agreement with the party has come to an end on 30th September, 2012.

Accordingly, 40% share of profit from the operations for the period ended September 30, 2012 of ₹ 16.04 Lacs (Previous Year - ₹ 79.33 Lacs) have been transferred to the joint venture partner and disclosed as "Other expenses" in Note 28.

The Company is in the process of completing the negotiations and related formalities for the above.



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 34

(A) Expenditure in foreign currency

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Foreign Traveling	3.85	26.69
Subscription Charges	0.94	-
Professional and Consultancy fees	2.07	12.65
TOTAL	6.86	39.34

(B) Value of material consumed including stores and spares

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Imported	-	-
Indigenous	40,731.70	32,435.47
TOTAL	40,731.70	32,435.47



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 35: 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 - ₹ 4.67 Lacs (Previous Year ₹ 8.20 Lacs)
- ▶ Interest - ₹ 15.18 Lacs (Previous Year ₹ 14.70 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 - ₹ 0.48 Lacs (Previous Year ₹ 1.19 Lacs)

(iv) Amount of interest accrued and remaining unpaid as at the year-end - ₹ 15.18 Lacs (Previous Year ₹ 14.70 Lacs)

(v) Amount of interest due and payable on previous year's outstanding amount - ₹ 14.70 Lacs. (Previous Year ₹ 13.51 Lacs)

Note 36:

(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 ₹ 53.05 Lacs (Previous year ₹ 64.85 Lacs).

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

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



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements
Amount recognized in Balance sheet

Particulars	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Present Value of Funded Obligations	147.64	130.12
Fair Value of Plan Assets	(123.86)	(121.29)
NET LIABILITY	23.78	8.83
Amounts in the Balance Sheet		
Liabilities	23.78	8.83
Assets	-	-
NET LIABILITY/(ASSET)	23.78	8.83

Note: Net Liability recognized in Balance Sheet stands at ₹ 23.28 lacs as the company has made an advance contribution of ₹ 0.50 lacs towards the fund during the year.

Expense recognized in Statement of Profit and Loss Account

Particulars	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Current Service Cost	17.98	17.37
Interest on Defined Benefit Obligation	12.29	11.33
Expected Return on Plan Assets	(9.27)	(8.42)
Net Actuarial Losses / (Gains) Recognized in year	(5.94)	(10.20)
TOTAL, INCLUDED IN "EMPLOYEE BENEFIT EXPENSE"	15.06	10.08



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements
 Reconciliation of Benefit Obligations and Plan Assets for the period

Particulars	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	130.12	122.20
Current Service Cost	17.98	17.37
Interest Cost	12.29	11.33
Actuarial Losses / (Gain)	0.28	(18.61)
Benefits paid	(13.03)	(2.17)
Closing Defined Benefit Obligation	147.64	130.12
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	121.29	110.32
Expected Return on Plan Asset	9.27	8.42
Actuarial Gain / (Losses)	6.22	(8.41)
Contributions by Employer	0.11	13.12
Benefits paid	(13.03)	(2.17)
Closing Fair Value of Plan Assets	123.86	121.29



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

(c) Assumptions:

Particulars	As at 31st March, 2013	As at 31st March, 2012
Discount Rate (p.a.)	8.05%	8.45 %
Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	7.00%	7.00%

(d) Experience Adjustments:

Particulars	₹ in Lacs				
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009
Defined benefit/obligation	147.64	130.11	122.19	96.42	85.49
Plan Assets	123.87	121.29	110.32	89.65	61.44
Surplus/Deficit	(23.78)	(8.83)	(11.87)	(6.77)	(24.05)
Experience Adjustment on Plan Liabilities	(6.21)	(16.37)	4.29	2.84	3.90
Experience Adjustment on Plan Assets	6.22	(8.41)	5.23	1.66	1.44

Note 37: 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 – “Segment Reporting” (AS 17).

Note 38: Disclosures as required by the Accounting Standard 18 (AS – 18) “Related Party Disclosures” are given below:



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

(a) Names of related parties and description of relationship:

Names of Related party	Nature of Relationship
Dr. Kailash Gupta	Key Management Personnel
Mr. Ajay Gupta (till 26th March, 2013)	
Commercial Auto Centre	Enterprises over which key management personnel and their relatives are able to exercise significant influence.
Commercial Automobiles Private Limited	
Commercial Body Builders	
Commercial Motors	
Commercial Toyota	
Kailash Motors Finance Private Limited - Associate	
Kailash Traders	
Commercial Motors Sales	
Shivam Motors Private Limited	
Kailash Auto Finance Limited	
Kailash Vahan Udyog Limited	
Tirupati Equipment Private Limited – Associate	
Kailash Auto Builders Private Limited	
J.N. Auto Limited (Unit Rekha Engineering)	
Jai Narayan Charitable Trust	
Kailash Motors	
Jashn Beneficiary Trust	
Hansika Mercantile Private Limited	
Tirupati Services Limited – Associate	

Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

(b) Transactions with Related parties

Particulars	(₹ in Lacs)		
	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Key Management Personnel	Total
Remuneration paid	- (-)	131.58 (115.58)	131.58 (115.58)
Commission paid	- (-)	- (95.60)	- (95.60)
Purchase of Capital goods	8.53 (21.41)	- (-)	8.53 (21.41)
Purchase of Raw Materials	424.21 (2675.46)	- (-)	424.21 (2675.46)
Interest received	- (2.44)	- (-)	- (2.44)
Miscellaneous Income	1.03 (4.07)	- (-)	1.03 (4.07)
Sale of raw material	184.40 (494.91)	- (-)	184.40 (494.91)
Sale of Finished Goods	580.52 (631.80)	- (-)	580.52 (631.80)
Reimbursement of Expenses - paid	0.76 (-)	- (-)	0.76 (-)
Reimbursement of Expenses - received	11.41 (16.45)	- (-)	11.41 (16.45)
Advance given against purchases	16.54 (-)	- (-)	16.54 (-)
Loan Taken	1,030.00 (90.00)	150.00 (-)	1,180.00 (90)
Advance Taken against sale of goods	1,521.07 (41.45)	- (-)	1,521.07 (41.45)
Repayment of Advance Taken	1,131.00 (41.45)	- (-)	1,131.00 (41.45)
Repayment of Loan Taken	500.00 (90.00)	- (-)	500.00 (90.00)
Sale of Capital goods	10.60 (-)	- (-)	10.60 (-)
Repayment of Loan given	(34.85)	- (-)	(34.85)



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements
 Previous year's figures are given in bracket.

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

Transaction	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Sale of Raw Material		
Kailash Vahan Udyog Ltd	2.83	0.20
Commercial Automobiles Pvt. Ltd.	6.90	3.14
J.N. Auto Limited	174.67	491.57
Remuneration Paid		
Mr. Ajay Gupta	79.72	81.61
Mr. Kailash Gupta	51.86	33.97
Miscellaneous Income		
J.N. Auto Limited	-	3.29
Kailash Vahan Udyog Ltd.	1.03	0.78
Interest received		
Commercial Body Builders	-	2.44
Purchase of Raw Material		
Commercial Automobiles Pvt. Ltd.	0.02	14.60
J.N. Auto Limited	413.54	2,660.86
Shivam Motors Pvt. Ltd.	1.96	-
Kailash Vahan Udyog Ltd.	8.69	-



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

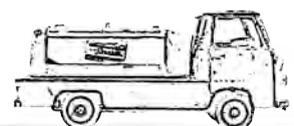
Transaction	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Reimbursement of Expenses - paid		
Commercial Automobiles Pvt. Ltd.	4.36	14.52
Kailash Vahan Udyog Ltd.	0.01	0.30
Kailash Motors	0.58	0.48
Commercial Body Builders	0.60	0.60
Commercial Motors Sales Pvt. Ltd.	0.14	0.32
J.N. Auto Limited	5.27	0.12
Shivam Motors Pvt. Ltd	0.46	0.11
Reimbursement of Expenses - received		
Kailash Vahan Udyog Ltd.	0.76	-
Commission paid		
Mr. Ajay Gupta	-	95.60
Advance given against purchases		
Shivam Motors Private Limited	8.50	-
Commercial Automobiles Pvt Ltd	0.04	-
J.N. Auto Limited	8.00	-
Repayment of loan given		
Commercial Body Builders	-	32.41



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Transaction	₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Loan taken		
Jashn Beneficiary Trust	530.00	-
Ajay Gupta	150.00	-
Hansika Mercantiles Pvt. Ltd.	500.00	90.00
Repayment of Loan taken		
Hansika Mercantiles Pvt. Ltd.	500.00	90.00
Advance taken against sale of goods		
Commercial Automobiles Pvt. Ltd.	1,411.07	41.45
Shivam Motors Pvt. Ltd.	110.00	-
Repayment of advance taken		
Commercial Automobiles Pvt. Ltd.	1,131.00	41.45
Purchase of capital goods		
Commercial Automobiles Pvt. Ltd.	5.97	14.41
Commercial Motors Sales Pvt. Ltd.	0.48	7.00
J.N. Auto Limited	2.08	-



Commercial Engineers & Body Builders Co Limited

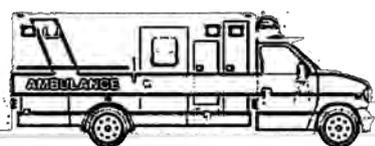
Notes forming part of the financial statements

Transaction	₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Sale of finished goods		
Shivam Motors Private Ltd.	58.65	257.71
Commercial Automobiles Pvt. Ltd.	477.40	374.09
Kailash Vahan Udyog Ltd.	44.43	-
Sale of Capital Goods		
Commercial Motors Sales Pvt. Ltd.	10.60	-

(c) Closing Balances

Particulars	₹ in Lacs		
	Enterprises over which key management personnel and their relatives are able to exercise significant influence and Associates	Key Management Personnel	Total
Receivables	8.02 (104.31)	- (4.60)	8.02 (108.91)
Payables	750.78 (13.18)	226.40 (0.82)	977.18 (14.00)
Investments	75.78 (75.78)	- -	75.78 (75.78)
Provision for Diminution value of Investments	15.75 (15.75)	- -	15.75 (15.75)

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



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 39: Foreign Currency Balances

(a) Derivatives

Outstanding derivatives:

	As at 31st March, 2013 As at 31st March, 2012		As at 31st March, 2013 As at 31st March, 2012	
	₹ in Lacs		In Foreign Currency	
For ECB Loan Principal only Swap	2,957.10	2,957.10	USD 6mn	USD 6mn

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

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

Amounts payable in foreign currency on account of the following:

	As at 31st March, 2013 As at 31st March, 2012		As at 31st March, 2013 As at 31st March, 2012	
	₹ in Lacs		In Foreign Currency	
For ECB Loan	3,263.36	Nil	USD 6mn	Nil

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

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
On conversion of ECB loan liabilities from USD to INR value	(0.06)	2.71
On Restatement at year end	(22.76)	-



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 40: The Company during the previous year has availed External Commercial Borrowing (ECB) of USD 6mn (₹ 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 year. The borrowing costs attributable to the project aggregating ₹ 386.16 lacs incurred till the date of capitalization has been added to the total value of the facilities capitalized in accordance with AS 16 on 'Borrowing Costs' (Refer Note 27). 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.

Note 41: Earnings per Share are calculated as follows:

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
a. Net profit available for distribution to equity shareholders	1850.56	4,080.19
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. Earnings per share		
Basic (in ₹)	3.37	7.43
Diluted (in ₹)	3.37	7.43



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 42: In terms of the Initial Public Offering (IPO) of Equity Shares of the Company in an earlier year, the utilization of the funds received in the IPO is as under:

(₹ in Lacs)			
Particulars	Amount to be utilised as per Prospectus	Actual Utilisation till 31st March, 2013	Balance to be utilised *
Capital expenditure for Railway project	8,030.06	11,798.31	(3,768.25)
Prepayment of identified loan facilities	5,905.10	2,385.19	3,519.91
General Corporate Purpose	248.34	-	248.34
Total	14,183.50	14,183.50	-

* As stated in the Prospectus, the Management, in response to the competitive and dynamic nature of the industry, has the discretion to revise its business plan from time to time and consequently funding requirements and deployment of funds may also change which may include rescheduling the proposed utilization of net proceeds of the IPO.



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 43: The Company, in previous year, had applied for approval of the Central Government in terms of section 297 of the Companies' Act, 1956 for the transactions entered into with certain group companies. The Company has accordingly received approvals from the Central Government for entering into contract with these parties subject to limits for value of transactions entered into as specified below.

			(₹ in Lacs)
Name of the Party	Nature of transaction	Period of contract	Amount
Commercial Automobiles Private Limited	▶ Sale of Built bodies/ Components	1st October, 2012 to	1,230.00
	▶ Purchase of Component/ Accessories	31st March, 2013	25.00
	▶ Providing of services		5.00
Commercial Automobiles Private Limited	▶ Sale of Built bodies/ Components	1st November, 2013 to	2,465.00
	▶ Purchase of Component/ Accessories	31st March, 2014	25.00
	▶ Providing of services		10.00
Shivam Motors Private Limited	▶ Sale of Built bodies/ Components	1st October, 2012 to	1,200.00
	▶ Purchase of Component/ Accessories	31st March, 2013	50.00
Shivam Motors Private Limited	▶ Sale of Built bodies/ Components	1st November, 2013 to	2,400.00
	▶ Purchase of Component/ Accessories	31st March, 2014	100.00

Since, there was error in the period of contract as mentioned in the approval, wherein the period was incorrectly mentioned as 1st November, 2013 to 31st March, 2014, instead of 1st April, 2013 to 31st March, 2014, the Company is in the process of filing a request for rectification to correct the said error.

The above contracts are subject to further approval of the shareholders which will be taken in the next General Meeting. However, the transactions entered into with the above parties during the year are within the limits as specified above.

Note 44: Loans and Advances in the nature of Loans due from (in accordance with clause 32 of Listing Agreement) (Refer Note 14 on "Long term Loans and Advances" and Note 20 on "Short term Loans and Advances")

Particulars	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Others (Interest-free loans with no repayment schedule)		
Employees	34.69	43.09
Maximum balance outstanding at any time during the year	60.61	181.16



Commercial Engineers & Body Builders Co Limited

Notes forming part of the financial statements

Note 45: 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 without interest. The other deposits aggregating to ₹ 1,000 lacs are outstanding as at the year-end. 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, at the year-end has provided for the principle amounts of the outstanding ICDs aggregating to ₹ 1,000 lacs and also reversed the interest income aggregating to ₹ 173 lacs, accounted on these ICDs up to 31st December, 2012. The Company will account for the interest income as and when the same is received.

Note 46: The Board of Directors have recommended payment of Dividend of ₹ 0.40/- per Equity share of ₹ 10/- each i.e. 4%. The total outlay on this along with the dividend distribution tax aggregates to ₹ 257.12 lacs.

Note 47: The Company has filed claims for refund of excise duty on sales made to customers which are exported under ARE-1 with Department of Customs and Excise aggregating to ₹ 162 lacs. However, the department has issued orders rejecting the claims aggregating to ₹ 17.63 lacs and issued show cause notices for other claims stating that why the claims should not be rejected based on certain technical grounds. The Company has preferred an appeal against the orders passed and is also in the process of replying to the show cause notices. The Company is confident of succeeding in the matter.

Note 48: The figures of the previous year have been regrouped wherever necessary to correspond with those of the current year in-line with the Revised Schedule VI to the Companies Act, 1956.

Signatures to Notes 1 to 48

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

A.B. Jani
Partner

Kailash Gupta
Chairman & Managing Director

Ravi Gupta
Director

Abhijit Kanvinde
Chief Financial Officer

Anurag Misra
Company Secretary

Place : Mumbai
Date : May 28, 2013

Place : Mumbai
Date : May 28, 2013



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

Attendance Slip

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

D.P. Id. *

Master Folio No.

Client Id. *

Name and address of the shareholder:

No. of Share(s) held:

I/We hereby record my/our presence at the THIRTY THIRD ANNUAL GENERAL MEETING of the company on 28th September, 2013 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.

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

Proxy Form

D.P. Id. *

Master Folio No.

Client Id. *

I/We Of
 Being a

member/members of Commercial Engineers & Body Builders Co Ltd hereby appoint

..... of

.....or failing

him of failing

him of

..... as my / our proxy to vote for me / us and
 on my/ our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the company to be held on 28th September, 2013 at 3:00 P. M. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208 003, (U.P.) or at any adjournment thereof.

Signed this day of2013.

**AFFIX ₹ 1/-
 REVENUE
 STAMP**

*Applicable for investors holding shares in electronic form.

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for the holding of the aforesaid meeting. The proxy need not be a member of the Company.

**thank
YOU
SO MUCH**





Commercial Engineers & Body Builders Co Ltd

Corporate Office
124, Napier Town
Jabalpur 482001
Madhya Pradesh
India

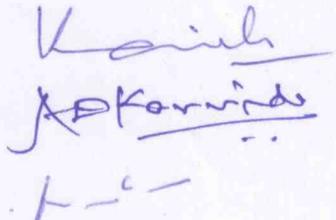
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Form A

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, 2013
3	Type of Audit Observation	<p>Unqualified/ Emphasis of Matter</p> <p>Following unfavorable comments in reporting under section 227 (4A) relating to reporting under CARO are considered as Emphasis of Matter to be reported here</p> <p><u>Clause v</u>-In our opinion and according to the information and explanations given to us, internal control system with regard to purchases of inventory, fixed assets (including capital work-in-progress) and sale of goods and services requires to be strengthened to be commensurate with the size of the Company and nature of its business with reference to timely and adequate maintenance of physical/electronic records for purchases and sales</p>
4	Frequency of observation	Unfavorable comments under clause v appeared for the first time
5	<p>To be Signed by</p> <ul style="list-style-type: none">• Shri. Kailash Gupta- Chairman• Shri. Abhijit Kanvinde- Chief Finance Officer• Shri. Ravi Gupta- Audit Committee Chairman <p>Place: JABALPUR Date: 12TH AUGUST 2013</p>	<p></p>

- Auditor of the Company –

Refer our Audit Report dated May28, 2013 on the standalone Financial Statements of the Company.

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



A B Jani
(Partner)
(Membership No. 46488)
Mumbai,
Date: