Commercial Engineers & Body Builders Co. Limited

...bodies in motion ...

AN ISO/TS 16949:2009 Company
CIN-L24231UP1979PLC004837

Regd. Office : 84/105-A, G.T. Road, Kanpur Mahanagar, Kanpur - 208003 (U.P.) INDIA Email Id – cs@cebbco.com
Head Office : 48, Vandana Vihaar, Narmada Road, Gorakhpur, Jabalpur (M.P.) Website – www.cebbco.com

October 12, 2018

To,
The Secretary,
Bombay Stock Exchange Limited
PhirozeJeejeebhoy Towers,
Dalal Street
Mumbai-400 001
Fax No. 022-2272 3121/2272 2037

The Secretary,
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No, C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai-400 051
Fax No. 022-2659 8237/38, 66418124/25/26

Sub: Yearly Compliances under Regulation 34(1) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2018

Please find enclosed herewith Annual Report for the Financial Year 2017 - 2018 under Regulation 34(1) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 for the Year ended 31st March, 2018.

Kindly acknowledge the receipt of the same and oblige.

Yours faithfully,

For COMMERCIAL ENGINEERS AND BODY BUILDERS CO. LIMITED

Amit K Jain
Company Secretary

Factory (Unit I) : 21,22,33,34, Industrial Area Richhai, Jabalpur - 482010 M.P., Tel. +91-761-233 0817 / 872, Fax : 0761-2331488
Factory (Unit II) : NH12-A, Village Udaipura, Teh. Niwas, Distt. Mandla - 481661 M.P., Tel. +91-7643-227403, 227389
Factory (Unit III) : Plot No. 690 to 693 & 751 to 756, Sector III, Industrial Area, Pithampur, Distt. Dhar, Tel. - 07292-407981
Factory (Unit IV) : Industrial Area Richhai, Jabalpur - 482010 M.P.
Factory (Unit V) : Plot No. 742, Asangi Phase Area, Saraikela, Jharkhand - 932109 Tel. 0657-2200251 / 252
Factory (Unit VI) : Village Imlai, Near Deori Railway Station, P.O. Panagar, Jabalpur - 483220

CEBBCO

...bodies in motion...



Annual Report 2017-18

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 making the assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlaying 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 and forward-looking statements, whether as a result of new information, future events or otherwise.

Commercial Engineers & Body Builders Co. Ltd.

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MESSAGE FROM BOARD OF DIRECTORS

Dear Shareholders,

We wish to place before you, the performance of your Company in the year gone by and share thoughts on Company's growth journey in the future.

During the year, the Company recorded sales (Net of Excise Duty/GST) of Rs. 9,717 Lakhs as compared to Rs. 10,534 lakhs for FY 2016-17, which is 7.8% lower. The loss for the year was Rs 3,691 lakhs as compared to loss of Rs 3,560 lakhs during the previous financial year.

Our fortunes mainly depend on Medium and Heavy Duty Commercial vehicle (M & HCV) industry. On account of change in emission norms and partly due to change in indirect tax regime, demand from M & HCV OEMs during the first two quarters of fiscal 2018 did not grow. Post this period and in the recent past, the demand has been robust.

However, the Company continues to be severally constrained on the working capital front and hence we were unable to take benefit of market expansion.

We could get the funding support from our major OEM customers. Post introduction of GST, demand for tippers from OEM dealers and other market players has started getting diverted to organized players. We could get sizable orders from this segment, during the last two quarters of fiscal 2018. Despite this, our performance continues to be suboptimal.

Over the past few years, the Company is unable to generate free cash on for its business needs and finally resulted defaults in servicing of debts.

The lenders had initiated Strategic Debt Restructuring ("SDR") on 11 January 2017. However, the SDR could not be completed within the timeframe prescribed by RBI and the loans given by the lenders to the Company have been classified Non-Performing Assets in the books of lenders.

Currently, the lenders are in the process of identifying revival measures, including debt restructuring and other structural changes.

In the meanwhile, the management continues to focus on improvement in volumes and cost optimisation. The Company continues to work closely with key OEMs to gain

higher volumes and funding support, and is targeting volumes from other customers. This has resulted in improvement in operations during the recently concluded quarter. During the quarter ended June 30, 2018, the Company recorded net sales of Rs 4,584 Lakhs, representing growth in sales of 24% over immediately preceding quarter.

However, considering the current debt level, there is need for strategic restructuring, working capital support and other revival measures.

The management is confident about positive outcome of the restructuring process.

We thank our lenders, customers and suppliers for their continued support and most importantly we appreciate the efforts taken by employees in this critical phase.

Finally, we thank you for your continued trust, confidence and support.

Thank you,

Yours sincerely,

On behalf of Board of Directors

P Y Gurav
Director
DIN : 02004317

Abhishek Jaiswal
Executive Director & Cheif Executive Officer
DIN : 07936627

Financial Highlights

Profit & Loss Statement

(₹ in Crores)

Particulars	As per Indian GAAP Accounting					As per Ind AS	
	F.Y. 2013	F.Y. 2014	F.Y. 2015	F.Y. 2016	F.Y. 2017	F.Y. 2017	F.Y. 2018
Income							
Net Sales	497.97	131.57	110.76	101.18	104.56	103.93	95.87
Other Operational Income	4.93	7.29	7.68	6.98	1.41	1.41	1.29
Other Income	1.38	2.69	2.40	1.13	0.44	0.44	1.16
Total Revenues	**504.28**	**141.55**	**120.84**	**109.29**	**106.41**	**105.78**	**98.33**
Expenditure Manufacturing Expenses	392.59	140.62	113.54	92.73	93.32	84.64	77.84
Personal Cost	12.86	10.52	8.53	7.21	5.84	5.84	4.95
Selling & Admin Cost	32.49	9.12	17.31	21.08	5.92	13.25	14.31
EBIDTA	64.96	-21.40	-20.94	-12.86	0.89	1.61	0.05
EBIDTA Margin (%)	13.04	-16.27	-18.91	-12.71	0.85	1.55	0.06
Depreciation	16.70	30.06	20.26	14.51	10.46	10.36	10.35
EBIT	49.64	-48.77	-38.80	-26.24	-9.13	-8.30	-9.13
Interest Expenses	16.14	18.95	21.57	20.95	23.92	27.30	27.78
Profit Before Exceptional Item &Tax (PBT)	33.50	-67.72	-60.37	-47.19	-33.05	-35.60	-36.91
Exceptional item – Impairment	-	-	63.00	53.67	-	-	-
Tax	5.42	-	-	3.90	-	-	-
Deferred Tax	9.57	2.70	-20.81	-	-	-	-
Profit After Tax (PAT)	**18.51**	**-70.42**	**-102.56**	**-104.76**	**-33.05**	**-35.60**	**-36.91**

Balance Sheet

(₹ in Crores)

Particulars	As per Indian GAAP Accounting					As per Ind AS	
	F.Y. 2013	F.Y. 2014	F.Y. 2015	F.Y. 2016	F.Y. 2017	F.Y. 2017	F.Y. 2018
Fixed assets	323.86	303.95	228.78	160.52	149.68	146.67	136.52
Financial assets	0.60	0.00	0.00	0.00	0.00	0.93	0.44
Other assets (Current and Non Current)	298.96	119.12	93.95	74.99	79.26	77.52	71.57
Total Application of Funds	**623.42**	**423.07**	**322.73**	**235.51**	**228.94**	**225.13**	**208.53**
Equity share capital	54.94	54.94	63.94	67.94	67.94	54.94	54.94
Other equity (inclusive of Reserves and Surplus)	219.09	151.23	48.69	-56.08	-89.13	-85.26	-122.12
Other Liabilities (Current and Non Current)	349.39	216.90	210.10	223.65	250.13	255.45	275.70
Total Sources of Funds	**623.42**	**423.07**	**322.73**	**235.51**	**228.94**	**225.13**	**208.53**

Key Facts

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

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

Commercial Vehicle / Fully Built Vehicle (FBV)

One among large players manufacturing various load body applications on the commercial vehicle (CV) chassis with a major share of business with major CV manufacturers - Tata Motors, Volvo Eicher Commercial Vehicles Limited, MAN Trucks India and Vehicle Factory, Jabalpur (Ministry of Defense). The Company also manufactures certain type of load bodies for dealers of the major commercial vehicle OEMs.

Railways

The Company had in the past, undertaken the business of refurbishment of old wagons and supply of assemblies for Indian Railways and its manufacturing plants. The company however has not been focusing on the Railway wagon business due to financial challenges faced during the recent years. Now, the Company is pursuing for renewal of its RDSO (G-105) registration so that the opportunity in this high demand segment could be targeted.

HEAVY FABRICATION

The Company fabricates steel structures and support columns for power plants and electrostatic precipitators (ESPs), structure for power plant boilers and ducts, and general fabrication components for power plants. The company did not aggressively pursue this business, considering comparatively higher working capital requirement for this business and funding constraints. The Company just executed an order for Clyde of around 200 MT. While, the erection of thermal power plants has slowed down, due to strict pollution norms demand of electrostatic (ESP) has gone up and expected that this trend will continue in FY 2018-19.

Strengths

- Economies of scale in its FBV business due to strong track record and long standing relationships with all major OEMs.
- Wide range of product offerings in commercial vehicles for applications across diversified industries.
- Manufacturing facilities located close to some of key customers for commercial vehicle bodies, giving competitive advantage over other manufacturers of commercial vehicle bodies.
- Industrial relations climate quite conducive in Central India which also makes available cost-competitive work force.
- Design support capability.

Manufacturing Plants

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

- Proximity to customers as Jabalpur is a central location to all major OEMs.
- Indore and Jamshedpur units are near their key customers namely VE Commercial Vehicles, MAN Trucks and Tata Motors respectively.
- Manufacturing units located close to steel suppliers manufacturing locations or their key distribution hubs.

Key Customers

Business	Customers
Commercial Vehicles / FBV	Tata Motors Ltd. VE Commercial Vehicles Ltd. (VECV) Man Force Trucks Pvt. Ltd. Ministry of Defence (Vehicle Factory Jabalpur)
Heavy Fabrication	L&T Power BHEL Trichy

Well Diversified Product Portfolio

Mining & Road Construction

1. Tipper Bodies
2. Tanker Bodies

Goods Transportation

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

Solid Waste Management

1. Skip - Loaders
2. Garbage - Bin Collectors

Municipal Applications

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

Defense

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
5. Railway over bridge and under bridge steel structures

Heavy Fabrication (Steel) Power - Boilers and ESP

1. Steel Structures for Power plants,
2. Structures for Electrostatic precipitator
3. Ducts and General Fabrication components for Power plants

Management Discussion and Analysis

1) LONG TERM GROWTH STORY OF INDIA IS INTACT.

a) MARKET TREND / ECONOMIC SCENARIO

India has emerged as the fastest growing economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

b) RECENT DEVELOPMENTS

Some of the important recent developments are as follows:

- India's Index of Industrial Production (IIP) rose 7.5 per cent year-on-year in January 2018 while retail inflation reached a four month low of 4.4 per cent in February 2018.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.
- The bank re-capitalization plan by Government of India is expected to push credit growth in the country to 15 per cent.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US$ 500 billion in value.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

c) GOVERNMENT INITIATIVES

- The Government has committed to focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country.
- As per the budget, the government is committed towards doubling the farmers' income by 2022.
- Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.
- The Government has recently enhanced minimum support prices for Kharip crops. This will result in enhanced purchasing power and investment by the Rural Sector

The above factors indicate long term growth potential for most of the segments of economy.

2) VOLUME ANALYSIS OF THE COMPANY

A. COMMERCIAL VEHICLE INDUSTRY IN INDIA

The fortunes of our industry is closely linked to Commercial Vehicle Industry; mainly Medium and Heavy duty segment. We supply to OEMs, OEM dealers and other customers, load bodies of various types.

Consequent to change in emission norms with effect from April 1, 2017, the demand for M&HCV segment was impacted during the first quarter. The second quarter of the year witnessed the transition to GST regime of the entire economy.

However, the underlying demand for commercial vehicles had been very strong, mainly driven by investment in construction of roads/metro and other infrastructure, and growth in GDP.

a) The aggregate sale of commercial vehicles increased to 8,87,316 units in FY 2017-18 as compared to 7,29,360 units in FY 2016-17, representing an increase of 21.7%

b) The sale of M&HCV commercial vehicles increased to 2,47,659 units in FY 2017-18 as compared to 2,11,198 units in FY 2016-17, representing an increase of 17.3%

However, on account of severe working capital constraints faced by the Company, one major OEM customer did not give any sizeable order in Quarter 1 and 2. The Company was mainly dependent on Indore facility, where the OEM customer extended funding support.

During Quarter 3, the management pursued vigorously with themajor OEM and could obtain funding support to fulfill the orders. Similarly, it focused on demand from dealers of OEMs and direct customers where the payment terms facilitate the funding need to procure material.

Thus while Quarter 1 and Quarter 2 was has been quite gloomy in terms of production and sale, there is considerable improvement from quarter 3.

The total shipments of tippers, trailers and other load bodies were 5413 units in FY 2017-18 as compared to 6131 units in FY 2016-17.

Going forward, considering, the improving economic scenario in the long term and Government's ambitious plans to enhance the infrastructure, the commercial vehicle industry is likely to record double digit growth.

B. RAILWAYS

The Company has manufacturing facility for undertaking railway business comprising, manufacturing of new wagons, refurbishment of old wagons and supply of assemblies.The company however has not been focusing on this line of business due to financial challenges and certain strategic reasons.

Considering the estimated increase of planned offtake in wagon procurement of Indian Railways, there exists an opportunity in the sector.The Company is hopeful of positive outcome of revival measures currently explored by the lenders, so that it could target this segment.

C. HEAVY FABRICATION

The Company fabricates steel structures and support columns for Power Plants and Electrostatic Precipitators (ESPs) structure for power plant boilers and Ducts and General Fabrication components for power plants.

Considering the acute shortage of working capital faced by the Company and higher requirement of working capital funding in this segment, the Company did not pursue for new orders.

The shipment was 236.880 MT and sale value Rs. 121.82 lakhs in FY 2017-18 as compared to shipment of 243.706 MT and sale value of Rs. 122.01 lakhs in FY 2016-17

3) FINANCIAL OVERVIEW

The following table explains the financial performance for the current fiscal as compared to FY 2016-17

Financial Highlights

₹ in Lakhs

Particulars	YE March 31, 2018	% to net sales	YE March 31, 2018	% to net sales
Revenue From Operations	9,936.96	-	15,051.79	-
Less - Excise Duty	247.46	-	4,518.09	-
Net Sales	**9,716.50**	**100.00**	**10,533.70**	**100.00**
RM Cost and Change of inventory	7,784.30	80.1%	8,463.54	80.3%
Employee benefit expenses	495.34	5.1%	584.04	5.5%
Operating Expenses	1,431.37	14.7%	1,324.64	12.6%
Operating Profit	5.49	0.1%	161.48	1.5%
Other Income	116.43	1.2%	44.38	0.4%
Depreciation and Amortisation	1,035.23	10.7%	1,035.80	9.8%
Finance Cost	2,777.96	28.6%	2,730.34	25.6%
Profit /(Loss) for the Year	**(3,691.27)**	**-38.0%**	**(3,560.28)**	**-33.8%**

The Company continued to operate under severe liquidity pressure during the year. As explained in paragraph 2(A) above, the management could improve the shipments only in quarter 3 and onwards.

The Company could attain savings in manpower cost by rationalizing the head count.

The operating expenses have gone up mainly due to provision of doubtful debts and advances (increase Rs 185 lakhs) and taxes.

On account of significant debt level, incremental discounting charges on receivables to support the working capital and penal interest cost on delayed statutory payments, the finance cost continues to be at higher levels.

There continues to be delay in payment to creditors.

Steps Initiated by the Company

In order to come out of the crisis, the company has taken the following steps:

- Rationalization of manpower and operations.
- Sale of surplus assets and inventory
- Assistance from OEMsfor material procurement.
- Cost reduction drive.

4) TECHNOLOGY - IT Process and Systems

Over the past 3 years, the company has not been able to make adequate investments to upgrade the software or the hardware to keep pace with development and to harness more efficiency in operations. During the next 2 to 3 years, the focus will be on upgrading the IT infrastructure.

5) CORPORATE GOVERNANCE

The Company believes that corporate accountability and corporate governance enable wealth creation and that the shareowners' participation adds value and often the power of ideas that investors bring outweighs the money they have invested in the Company. The corporate governance practices, as envisaged by the law of the country and regulators, in letter and spirit are the pillars of the business practices at CEBBCO.

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

6) RISK MANAGEMENT

The Company has a risk management system. The management and members of the Board review the business periodically to identify ongoing factors that affect the business and also changes in external environment, which are likely to impact the Company. The management has foreseen certain risks and took effective steps to mitigate the risks. The following are the key risks and the mitigation approach.

Cyclicality of the commercial vehicle industry - The demand for CEBBCO's products is closely linked to overall industrial growth and is vulnerable to cyclicality in the commercial vehicle industry. In addition to rationalizing the production capacities (as already mentioned), the company is focusing on increasing the revenue from other businesses such as heavy fabrication, water tankers and defense.

Liquidity constraint and finance cost - The Company had incurred significant borrowings for setting up of railway wagon manufacturing facility. Since, the railway wagon business did not materialize, the existing business had to service the borrowings. The ballooning interest cost burden and downturn in automotive demand in the past, has resulted in significant fund constraints resulting into loss of customer orders and additional cost of procurement. In order to increase long term financial resources and also to enhance the net worth of the Company improve the net worth, the Company issued non-convertible redeemable preference shares of Rs 20 crore to the promoters, in FY 2014-15.

However, this constraint has not been fully resolved and the Company could not service the debts on dues dates

The need for restructuring and revival measures is critical to address the funding needs. The Board of Directors is confident about the positive outcome pursuant to the restructuring exercise currently undertaken by the lenders.

Raw material costs - Steel accounts for major portion of the raw material costs. Due to cash flow issues, the Company, at times, is required to buy steel from traders at a price higher than manufacturer. The Company follows a zero-based costing model with steel being a pass through with a lag of a quarter. The company has centralized the steel procurement function with the objective of leveraging the volumes to get better prices and is focusing on other cost control measures.

Competition - The Company depends on load body business from certain OEM customers. These OEMs have developed more than one supplier to minimize their risk. There is risk of change in OEM policy of with reference to suppliers, more particularly in view of working capital issues faced by the Company.

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

Increase in interest rate/cost - Given the high interest burden, any increase in interest rate will adversely affect the company. Also funding constraints compel the Company to discount its receivables at exorbitant cost. This is a fixed cost and any measure taken to mitigate this risk will essentially show results over the medium and long term. Also funding constraints compel the Company to discount its receivables at exorbitant cost. The company is exploring ways and means to strengthen its capital structure and replacing high cost debt with cheaper ones.

Currency fluctuations - The borrowing in external currency can fluctuate in line with the currency movement of the Indian rupee vis-à-vis the US Dollar and any depreciation in the value of the rupee can adversely affect the company's profitability. The Company's ECB of US$ 4.80 millions Is now fully un-hedged and will get exposed to rupee depreciation against US$.

Delays in execution of orders (particularly orders obtained through competitive tenders) can have a negative impact on profitability.

7) INTERNAL CONTROL SYSTEM

The Company has an established and comprehensive internal control mechanism and management structure in place across all locations and business functions that ensure the Company's assets are safeguarded against all and any loss from unauthorized use or disposal.

The documentation of Internal Control over Financial Reporting is in place and the management has undertaken effectiveness test of the system.

Internal Control systems are implemented :

a) To safeguard the Company's assets from loss or damage.

b) To keep constant check on cost structure and process loss.

c) To provide adequate financial and accounting controls for preparation and reporting of financial performance and state of affairs, in accordance with Accounting Standards.

d) To maintain proper accounting record and statutory compliances.

The systematic implementation of Internal Control Systems and policies has resulted in the use of funds in the most efficient and appropriate manner.

Internal Audit :

The Company has assigned the internal audit to a leading auditing firm. The internal audits are reviewed by the Audit Committee including implementation status of changes suggested by Internal Auditors

The management and Audit Committee of the Board review the findings and the recommendations of the internal auditors as well as statutory auditors, who are also are empowered by the Board to take up and investigate any matter flagged by the internal audit team.

Cautionary Statement

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

Date: 28th August 2018

Dear Member, Directors & Auditors

You are cordially invited to attend the 38th Annual General Meeting (the 'AGM') of the members of Commercial Engineers & Body Builders Co Limited (the 'Company') to be held on Friday 28th Day of September 2018 at 3.00 PM. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003 (U.P.).

The Notice of the meeting, containing the business to be transacted, is enclosed.

Thanking You,

For and on behalf of the Board

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

Amit K Jain
Company Secretary
ACS No.: A39779
PAN :ABBPJ7524N

Commercial Engineers & Body Builders Co Limited

Regd. Office: 84/105-A, G T Road, Kanpur- 208003 (U.P.)
CIN: L24231UP1979PLC004837,
Telephone No. 0512-2520291,
Email ID - cs@cebbco.com, Website -www.cebbco.com

N O T I C E

Notice is hereby given that the **Thirty Eighth Annual General Meeting** of the Members of **Commercial Engineers & Body Builders Co Limited** will be held on **Friday, September 28th 2018 at 3.00 PM. at Auditorium of U P Stock and Capital Limited, Padam Towers, 14/113 Civil Lines, Kanpur - 208 001 (U.P.)** to transact the following businesses:

ORDINARY BUSINESS

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.**

2. **TO RATIFY THE APPOINTMENT OF AUDITORS AND TO FIX THEIR REMUNERATION AND IN THIS REGARD TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:-**

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time the appointment of M/s. BSR & Co. LLP, Chartered Accountants (Registration No. 101247 W / W - 100022) who were appointed as Auditors of the Company at the 37th Annual General Meeting of the Company held on 27th September 2017, to hold office from the conclusion of that Meeting until the conclusion of the 42nd Annual General Meeting of the Company to be held in the year 2022, be and is hereby ratified at such remuneration plus taxes and out of pocket expenses and other terms and conditions as may be mutually agreed between the Board of Directors of the Company and the Auditors ."

SPECIAL BUSINESS

3. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Abhishek

Jaiswal (DIN: 07936627), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the appointment of Mr. Abhishek Jaiswal (DIN: 07936627) as Whole Time Director of the Company, designated as Executive Director & Chief Executive Officer w.e.f. October 14, 2017 up to October 13th, 2022 on such terms and conditions including remuneration, as set out in the explanatory statement annexed hereto.

"RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Executive Director & Chief Executive Officer, the Company has no profits or its profits are inadequate, the Company may pay to Executive Director & Chief Executive Officer remuneration by way of Salary, Perquisites, allowances etc. as specified in the Explanatory statement as minimum remuneration, subject however to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder."

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendations of the Nomination and Remuneration Committee be and is hereby authorized to vary, alter modify the remuneration payable to Mr. Abhishek Jaiswal, during his tenure as Executive Director & Chief Executive Officer to the extent permitted under Section 197 read with Schedule V and other applicable provisions ,if any, of the Companies Act,2013 without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution and matters incidental ,consequential and connected therewith."

5. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Ms. Vineeta Shriwani (DIN: 08095170), who was appointed as an Additional Director of the Company with effect from 26th March, 2018 under Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term up-to five consecutive years commencing from 26th March, 2018 till 25th March 2023."

By Order of the Board

FOR **COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED**

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

Date : 28/08/2018

Amit K Jain
Company Secretary
M. No. - A39779
PAN:ABBPJ7524N

NOTES:

1. The relative Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the 38th Annual General Meeting of the Company (the "Meeting" or "AGM") under Item Nos. 3 to Item No. 5 of this Notice, is annexed hereto. The relevant details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment / re-appointment as Director and/or relating to remuneration of Directors is given under the heading "PROFILE OF DIRECTORS" forming part of this Notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 16 and Annexure-A. The Company will also send communication relating to remote e-voting which inter alia would contain details about e-voting event no., User ID and password along with a copy of this Notice to the Members, separately.

4. The Notice of AGM is being sent to those members/ beneficial owners whose name will appear in the registers of member/list of beneficiaries received from the depositories as on 10th Day of August 2018.

5. Full version of Annual Reports will also be available under the section 'For Investors' on the website of the company www.cebbco.com.

6. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during the business hours up to the date of the Meeting.

10. The Company has notified closure of Register of Members and Share Transfer Books from 25th September 2018 to 28th September 2018 (both days inclusive).

11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the

Company or its Registrar and Transfer Agents, Karvy Computershare Private Limited ("Karvy").

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Karvy, for consolidation into a single folio.

14. Non-Resident Indian Members are requested to inform Karvy, immediately of:

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

16. Information and other instructions relating to e-voting are as under:

(i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

(ii) The poll shall be conducted at the meeting and members attending the Meeting who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting.

(iii) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(iv) The Company has engaged the Services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

(v) Voting rights shall be reckoned on the Paid-up value of Shares registered in the name of the Member / Beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 21st of September, 2018.

(vi) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e. 21st of September, 2018 only shall be entitled to avail the facility of remote e-voting.

ANNEXURE "A" TO THE NOTICE

Instructions for voting

The instructions for e-voting are as under:

A. In case a Member receiving an email of the AGM Notice from Karvy[for Members whose email IDs are registered with the Company/ Depository Participant(s)]:

i) Launch internet browser by typing the URL: https://evoting.karvy.com.

ii) Enter the login credentials (i,e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii) After entering these details appropriately, Click on "LOGIN".

iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v) You need to login again with new credentials.

vi) On successful login, the system will prompt you to select the "EVENT' i.e. Commercial Engineers & Body Builders Co Ltd.

vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholders does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii) Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any special item it will be treated as abstained.

x) You may then cast your vote by selecting an appropriate option and click on "Submit".

xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify you vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: sk_gupta1@rediffmail.com with a copy marked to e-voting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

xiii) In case a person has become the Member of the Company after dispatch of AGM Notice but on or before the cut-off date i.e. 21st of September, may write to Karvy on the email Id: evoting@karvy.com or to Ms.ShobhaAnand, Contact No. 040-67162222, at [Unit: Commercial Engineers & Body Builders Co Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

i) User ID and initial password - These will be sent separately.

ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. The e-voting period commences on **Tuesday, 25th September, 2018 at 10.00 A.M** and ends on **Thursday 27th September 2018 at 05.00 P.M.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being **21st September, 2018,** may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.

D. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com. (Karvy's Website).

E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being **21st September, 2018** .

F. The Company has appointed Shri S.K. Gupta (FCS-2589) and Ms. Divya Saxena (FCS-5639), Practicing Company Secretaries and Partners, M/s. S.K. Gupta & Co., Kanpur as Scrutinizer and alternate Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

G. The Scrutinizer shall immediately after the conclusion of the voting at A.G.M., first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later 3 days of conclusion of the meeting, a consolidated Scrutinizers Report of the total votes cast in the favour or against, if any, to the Chairman of the Company.

H. The Results on resolutions shall be declared on or after the Annual General Meeting of the Company and the resolution(s) will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).

I. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.cebbco.com) and Service Provider's website (https://evoting.karvy.com) and communication of the same to the BSE Limited and the National Stock Exchange of India Limited.

By Order of the Board

FOR COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

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

Amit K Jain
Company Secretary
M. No.- A39779
PAN:ABBPJ7524N

Date : 28/ 08/ 2018

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

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the special business set out at Item Nos. 3 to 5 of the accompanying Notice dated 28/08/2018.

Item No. 3 and 4

As required under section 160 of the Companies Act, 2013, the Company has received a Notice along with requisite deposit from a member proposing the candidature of Mr. Abhishek Jaiswal for his appointment as Director of the Company.

Mr. Abhishek Jaiswal fulfills all the conditions given under section 196(3) and Schedule -V to the Companies Act, 2013 for being eligible for his appointment. He is not disqualified in terms of section 164 of the Companies Act, 2013 from being appointed as Director and has given his consent to act as Director.

This explanatory statement and the Resolution set out at Item No. 4 of this Notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Profile and other particulars of Mr. Abhishek Jaiswal, as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, are provided under heading "PROFILE OF DIRECTORS" forming part of this Notice.

The members' approval is being sought for appointment of Mr. Abhishek Jaiswal as a Whole-time Director of the Company for a period of Five years effective from October 14, 2017 to October 13, 2022, in terms of applicable provisions of the Companies Act, 2013 and rules made thereunder.

Further the Members may note that, Mr. Abhishek Jaiswal has been re-designated as the Executive Director & Chief Executive Officer of Commercial Engineers and Body Builders Co. Limited for a period of five years and will be drawing such remuneration as recommended by Nomination and Remuneration committee and approved by the Board of Directors of Commercial Engineers and Body Builders Co. Limited.

The Board recommends the Resolutions set out at item no. 3 and 4 of the Notice for approval of the Members as an Ordinary Resolutions.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Abhishek Jaiswal to whom the resolutions relate, are in anyway concerned or interested in the above.

Item No. 5

Based on the recommendation, the Board of Directors of the Company have appointed Ms. Vineeta Shriwani as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). As an Additional Director, Ms. Shriwani holds office till the date of the AGM and is eligible for being appointed as an Independent Director.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Ms. Vineeta Shriwani as a Director of the Company. The Company has also received a declaration from Ms. Shriwani confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Ms. Shriwani is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. In the opinion of the Board, Ms. Shriwani fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

PROFILE OF DIRECTORS

1. Mr. Abhishek Jaiswal
2. Ms. Vineeta Shriwani

Mr. Abhishek Jaiswal
Executive Director & Chief Executive Officer
Commercial Engineers and Body Builders Co. Limited.

Profile

- Bachelor of Engineer, Production Branch, pass out of 1990 with additional qualification of Diploma in business management.
- Have vast experience of 27 years in field of application on commercial vehicles
- Initial 20 months were in Kinetic Honda Pithampur after that, from 1992 March have been in CEBBCO group .
- Started as Engineer became Unit head of one of Group unit in 1999.
- In 2004 was transferred to another Group unit with additional responsibility.
- In 2009 became Operational Head of all the manufacturing unit of the Group and was responsible for Commercial Vehicle business.
- In 2017 became the CEO of the Company.

Job Profile

- As trainee and Probational engineer in Kinetic Honda , was responsible for planning in weld shop .Could gain wide experience of various welding technology .
- As Engineer in Commercial Body Builder worked as a production head and was responsible for Planning and execution of production .
- As Operational manger was responsibility for developmental jobs and Quality was added to the profile .
- As unit head was responsible for complete performance of the unit .
- As group operational head took the Commercial vehicle business to the new height and expanded the group operations in Indore and Jamshedpur .

Ms. Vineeta Shriwani

Ms. Shriwani began her career with National Stock Exchange as Senior Executive in 2008, and joined MCX Stock Exchange Limited in 2009. In 2011, she started working with M.P. Power Management Co. Ltd. Jabalpur, (A Govt. of Madhya Pradesh Undertaking) as Company Secretary, at present she is associated with Maharashtra State Electricity Transmission Company Limited, Mumbai (A Govt. of Maharashtra Undertaking) as Company Secretary since June 2015 till date.

Ms. Shriwani is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Ms. Shriwani and her relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 5 of this Notice is accordingly commended for your approval

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.cebbco.com.

Director's Report 2017-18

To
The Members of
Commercial Engineers & Body Builders Co. Ltd

The Directors take pleasure in presenting the 38th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2018.

Financial Highlights

₹ in Lakhs

Particulars	For the Year ended on	
	March 31, 2018	March 31, 2017
Revenue From Operations	9,936.96	15,051.79
Less - Excise Duty	247.46	4,518.09
Net Sales	**9,716.50**	**10,533.70**
Other Income	116.43	44.38
Total Income	9,832.93	10,578.08
Operating Expenses	9,711.01	10,372.22
Depreciation and Amortisation	1,035.23	1,035.80
Finance Cost	2,777.96	2,730.34
Profit / (Loss) for the Year	(3,691.27)	(3,560.28)
Other Comprehensive Income / (Loss)	5.32	(0.18)
Total Comprehensive Income / (Loss) for the year	**(3,685.95)**	**(3,560.46)**

Performance at glance

The Company continued under severe liquidity pressure during this year, severely affecting the orders from the major OEM customer of the Company.

The Company's fortunes mainly depend on Medium and Heavy Duty Commercial vehicle (M & HCV) industry. Consequent to change in emission norms with effect from April 1, 2017, the demand for M & HCV segment was impacted during the first quarter.The second quarter of the year witnessed the transition to GST regime of the entire economy. The new tax system created some challenges on the overall business and economic front. On accounts of these factors, during the first two quarters of the fiscal 2018, the major commercial vehicle OEMs witnessed marginal change in demand in the M & HCV segment. This factor and the working capital constraints faced by the company, significantly affected the sale of tippers and load bodies.

The underlying demand for commercial vehicles had been very strong, mainly driven by investment in construction of roads / metro and other infrastructure, and growth in GDP. Thus M & HCV segment has been recording robust growth since beginning of quarter 3 of fiscal 2018.

Further, there has been shift of business from unorganized sector to the organized sector, post GST. This has resulted in sizeable demand for load bodies (mainly tippers and trailers) from the dealers of commercial vehicle OEMs.

While the liquidity and cash flow situation of the Company continues to be grim, the management pursued vigorously with major OEM and could obtain funding support to fulfill the orders from these OEMs. Similarly, it focused on demand from dealers of OEMs and direct customers where the payment terms facilitate the funding need to procure material.

It is heartening to note that the efforts of the management as explained above have yielded positive results. The Company has clocked the revenue from operations of Rs. 2,958 lakhs and Rs. 3,699 lakhs in quarter 3 and quarter 4, respectively of fiscal 2018. The revenue for quarter ended June 30, 2018 was Rs 4,584 lakhs.

However, as explained in the later part of our report, there is need for systematic funding support mechanism and other steps to address the working capital needs, so that the Company could take advantage of growing demand.

The management continued to focus on cost optimization on all fronts.

Despite the positive development on operational front, the Company reported a net loss of Rs 3,586 lakhs, mainly attributable to lower operating margin, significant finance cost and depreciation.

Cash flow situation, debt restructuring and revival of operations

The Company continued to operate under severe liquidity pressure during the year. As reported last year, one of the lending bank, curtailed the working capital facility from September 2017, impacting the rotation of funds required for purchase of material for fulfilment of customer orders. Since then, working capital funding needs have not been met by the lenders.

The Joint Lenders Forum invoked Strategic Debt Restructuring ("SDR") on 11 January 2017 in compliance with the guidelines effective on that date, by the Reserve Bank of India ("RBI"). On 12 October 2017, the lead bank communicated that SDR could not be completed within the timeframe prescribed by RBI and loan given by the lenders to the Company has been classified Non-Performing Assets in the books of lenders.

Since then, the lead bank has been in the process of identifying revival measures, including debt restructuring and other structural changes.

As explained above, the Company has been able to get and execute the customer orders mainly on account of funding support/advances from customers. In the absence of assured long term working capital support, the Company is unable to target higher volumes which in turn affects the generation of free cash flow. Thus the Company is caught in viscous circle.

Future Outlook

The Company is working with certain customers who give assistance for fulfillment of their orders.

However, current state of cash flow and working capital, significantly limits the ability of the Company to target higher sales and to plan entry into railway or similar new opportunities, for long term profitable growth.

The need for restructuring and revival measures is critical for long term profitable growth. The Board of Directors is confident about the positive outcome pursuant to the restructuring exercise currently undertaken by the lenders.

Details of Subsidiary, Joint Venture or Associates

The Company does not have any subsidiary company, associates company or joint venture. Accordingly, a statement of the subsidiary Companies/ Associate Companies/Joint Ventures as per Form AOC-1 is not required to be filed with MCA/ROC.

Extract of the Annual Return

The extract of Annual Return, in Form MGT -9 for the Financial Year 2017-18 has been enclosed with this report as Annexure III.

Meetings of the Board of Directors

The Board of Directors met five times during the year 2017-18 i.e. on 29th May 2017, 22nd August 2017, 14th September 2017, 14th December 2017 and 2nd February 2018. For further details, please refer Report on Corporate Governance of this Annual Report.

Directors Responsibility Statement

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures.;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit or loss of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a 'going concern' basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements set out by SEBI. Pursuant to Regulation 27 of the Listing of Debt Regulation 2015, 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.

Change in the Nature of Business, If any

There was no change in the nature of business of the Company during the Financial Year ended 31st March, 2018

Particulars of Loans given, Investments made, Guarantees given

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

Contracts and Arrangements with Related Parties

All related party transactions that were entered into during the financial year 2017-18 were on an arm's length basis and were in the ordinary course of the business. No materially significant related party transactions were entered into by the company with Promoters, Key Managerial Personnel or other designated persons, which may have potential conflict with interest of the company at large.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the linkhttp://www.cebbco.com/docs/profile_for_investors.html.

Members are requested to refer to Note No. 41 forming part of the Audited Financial Statements which sets out related party disclosures.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out Go in terms of section 134 (3)(m) of the act read with rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Director report for the year ended March 31st, 2018.

Conservation of Energy:

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

Since the Company does not fall under the list of industries, which are required to furnish this information in Form A annexed to the aforesaid Rules, the information has not been given.

Technology Absorption

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

Foreign exchange outgo and earning

During the year under the review, the Company had Foreign Exchange Earnings Nil and Foreign Exchange Outgo of Rs. 272.86 lakhs.

Risk Management

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the listing of Debt Regulation, a Risk Management committee is mandatory for the company having net worth of Rs. 500 Cr. or more or turnover of Rs. 1000 Cr. or more, or net profit of Rs. 5 Cr. or more during any financial year, hence the company has not constituted risk management committee. (Section 135 of the Companies Act, 2013)

The Company is facing severe issues on liquidity and working capital front. The Company continue to monitor the cash flows and working capital situation and suitable actions are initiated. A reference may be made to discussion on strategic debt restructuring in this report.

Corporate Social Responsibility (CSR)

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

The CSR Policy may be accessed on the Company's website at the link: http://www.cebbco.com/docs/profile_for_investors.html.

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

Internal Financial Controls

The Company has adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses were observed.

Directors and KMP

The Board of Directors comprises

Sr. No.	Particulars	Designation
1.	Dr. Kailash Gupta	Non-Executive Promoter Director(till 27.09.2017)
2.	Mr. Prakash Y Gurav	Independent Director
3.	Mr. Prabhakar Dalal	Independent Director(till 01.09.2017)
4.	Mr. M Venkat Rajarao	Independent Director
5.	Mr. Abhishek Jaiswal	Executive Director (w.e.f. 14.09.2017)
6.	Ms. Vineeta Shriwani	Independent Director (w.e.f. 26.03.2018)

During the year following changes have been in board of directors due to resignation / cessation:

Mr. Prabhakar Dalal, Independent Director resigned w.e.f. 1st September, 2017. The Board takes on record its appreciation of the services rendered by Mr. Prabhakar Dalal in various capacities during his association with the Company.

Mrs.Nandini Malpani, Non-Executive Director resigned from Directorship with effect from 20th May 2016.The Company initiated steps to induct 'woman director'. However, on account of deteriorating performance of the Company, it has been difficult to attract suitable candidate.

Ms. Vineeta Shriwani was inducted on the Board as Non-Executive Independent Director w.e.f 26th Day of March 2018. She is a Company Secretary and an advocate by profession and is presently working with Maharashtra State Electricity Transmission Company Limited, Mumbai (A Govt. of Maharashtra Undertaking).

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Kailash Chand Gupta, Promoter Director of the Company, retired by rotation at the 37th Annual General Meeting. Mr. Gupta did not offer himself for re-appointment and consequently,

the board vide in its meeting on August 22, 2017 did not to propose to re-appoint him as director in the 37th Annual General Meeting.

Mr. Abhishek Jaiswal was re-designated as Executive Director (Additional) and Chief Executive Officer w.e.f. 14th Day of October 2017, on same terms and conditions as recommended at the time of his elevation as Chief Executive Officer by the Nomination and Remuneration Committee in its meeting held on 13th Day of February 2017

We confirm that the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 ("SEBI LODR"). The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

On the basis of recommendations of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, an evaluation process was followed by the Board for its own performance and that of its Committees and individual Directors. During the year, a meeting of independent directors was held on February 2nd, 2018 to undertake performance evaluation of independent directors, Board of director as a whole and Committees of Board.

The details of Programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: http://www.cebbco.com/docs/profile_for_investors.html

AUDITORS REPORT

Statutory Auditors

M/s BSR and Co. LLP, Chartered Accountants (Registration No. 101247 W / W - 100022), who are the Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment, subject to the approval of shareholders. The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits and that they are not disqualified for reappointment. Members are requested to consider their reappointment, on a remuneration, to be decided by the Board or Committee thereof for the ensuring Financial Year i.e. 2018-19. The Auditors' Report for the financial year ended 31st March, 2018, does not contain any qualification, reservation or adverse remark.

The Notes on financial statement referred to in the Auditor's Report are self- explanatory and do not require any further comments and explanations.

Secretarial Audit

The Board has appointed Mr. S.K. Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **ANNEXURE II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is self-explanatory and do not call for any further clarification.

DISCLOSURES:

CSR Committee

The CSR Committee comprises Mr. Manchi Venkat Raja Rao (Chairman), Mr. Prakash Yashwant Gurav (Member) and Mr. Abhishek Jaiswal (Member) as other members.

Audit Committee

The Audit Committee comprises Mr. Prakash Yashwant Gurav (Chairman), Mr. Manchi Venkat Raja Rao (Member), Mr. Abhishek Jaiswal (Member) and Ms. Vineeta Shriwani as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

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

Employee

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

GENERAL

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

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

3) Material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of this report -

4) **Share Capital -** The paid up equity capital as on March 31, 2018 was Rs. 54,94,29,640.00.

The Company has issued in FY 2014-15, 2,000,000 Unlisted Non-Convertibles, Cumulative Redeemable Preference Shares of the Company of the face value of Rs. 100/- each, for an aggregate value of Rs. 20 Crores, at par, on a private placement basis, jointly to the promoters i.e. Mr. Kailash Chand Gupta and Mrs. Rekha Gupta. Up to March 31, 2018, Rs. 13.00 Crores has been paid up.

The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Prevention of Sexual Harassment at Workplace under Sexual Harassment of Women & Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review, there were no complaints pertaining to sexual harassment.

Acknowledgement

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

For on behalf of the Board

COMMERCIAL ENGINEERS & BODY BUILDERS CO. LTD.

Place : Pune

Date: 03.08.2018

P.Y. Gurav
Director
DIN : 02004317

Abhishek Jaiswal
Executive Director &
Cheif Executive Officer
DIN : 07936627

ANNEXURE I TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

Web Link: http://www.cebbco.com/docs/profile_for_investors.html

2. Composition of CSR committee

The committee consists of following directors:

- Mr. M.V Raja Rao (Chairman)
- Mr. P Y Gurav
- Mr. Abhishek Jaiswal

3. Average net profit of the company for last three financial years:

Loss - Rs. 8661 Lakhs.

4. Prescribed CSR Expenditure (Two Percent of the amount as in item 3 above)-

Not applicable in view of the loss.

5. Details of CSR spend for the financial year :

a) Total amount spent for the financial year: Nil

b) Amount unspent if any: Nil

c) Manner in which the amount spent during the financial year: Not applicable

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

Not applicable.

ANNEXURE II TO DIRECTOR'S REPORT
SECRETARIAL AUDIT REPORT

S. K. Gupta & Co.
Company Secretaries

9, Roland Complex,
Upper Floor, 37/17,
Westcott Building,
The Mall,
Kanpur-208001
Telefax :0512- 2315123
Cell - 9415042137
E-mail:sk_gupta1@rediffmail.com

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2018

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has during the Financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company as the Company has not entered into any transaction involving Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable as the Company has not issued any further Capital under the Regulations during the Audit Period);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company has not framed any such Scheme during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued and listed any debt securities during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client (Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the Audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / proposed to delist its Equity Shares from any Stock Exchange during the Audit period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company as the Company has not bought back / proposed to buy-back any of its securities during the Audit Period).

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

(i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and the General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(a) The Company has defaulted in repayment of External Commercial Borrowings amounting to US $ 48,00,000 and interest due thereon.

(b) There has been a delay in filing of Annual Return of Foreign Liabilities and Assets as on 31st March,2017 with the Reserve Bank of India which was actually filed on 14th March,2018.

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

We further report that except for the appointment of Woman Director in the casual vacancy caused on 20th May, 2016 which was filled on 26th March, 2018, the Board of Directors of the Company is duly constituted which comprised of Executive, Non-Executive and Independent Directors . The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

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

statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, VAT, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Cess etc. with the appropriate Authorities.

We further report that during the Audit Period:

(a) The Company has committed defaults in repayment of principal and interest amounting to Rs. 18,862.07 Lacs as on 31st March, 2018 in respect of inter-corporate loans and long term loans and working capital facilities taken from Banks.

(b) 3,02,62,528 Equity Shares constituting 99.81% of the Promoter's Shareholding continued to be encumbered / pledged against various facilities availed by the Company as at the close of the financial year i.e. 31st March, 2018.

(c) As the account of the Company has been classified as Non Performing Assets (NPA), the Bankers of the Company have recalled their outstanding financial dues extended to the Company.

For S.K.Gupta & Co.
Company Secretaries

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

Place : Kanpur

Date : 25.07.2018

Commercial Engineers & Body Builders Co. Ltd.

ANNEXURE III TO DIRECTOR'S REPORT

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

I. REGISTRATION & OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

"All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-"

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Commercial Vehicle Load Body For Tata Motors Ltd.		
	EICHER, MAN, FORCE ,Defence and Non OEM Customer		86.0%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	0

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	N A	N A		N A	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	27107115	0	27107115	49.34%	27107115	0	27107115	49.34%	0.00%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	27054	0	27054	0.05%	0	0	0	0.00%	-0.05%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other (Promoter Trust)	3213443	0	3213443	5.85%	3213443	0	3213443	5.85%	0.00%
(2) Foreign									
a) NRI - Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other - Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total shareholding of Promoter (A)	30347612	0	30347612	55.23%	30320558	0	30320558	55.19%	-0.05%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	839640	0	839640	1.53%	0	0	0	0.00%	-1.53%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	6005401	0	6005401	10.93%	6005401	0	6005401	10.93%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIs	7449	0	7449	0.01%	0	0	0	0.00%	-0.01%

h) Foreign Venture	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (NBFC)	27620	0	27620	0.05%	21000	0	21000	0.04%	-0.01%
Sub-total (B)(1):-	6880110	0	6880110	12.52%	6026401	0	6026401	10.97%	-1.55%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2838263	0	2838263	5.17%	3014971	0	3014971	5.49%	0.32%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8971967	103	8972070	16.33%	9212282	503	9212785	16.77%	0.44%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5668180	0	5668180	10.32%	6101505	0	6101505	11.11%	0.79%
c) Others (specify)									
Clearing Members	45255		45255	0.08%	60973	0	60973	0.11%	0.03%
Non Resident Indians	191474		191474	0.35%	205771	0	205771	0.37%	0.03%
Trust	0		0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(2):-	17715139	103	17715242	32.24%	18595502	503	18596005	33.85%	1.60%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	24595249	103	24595352	44.77%	24621903	503	24622406	44.81%	0.05%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0%	0.00%
Total ('C)	0	0	0	0	0	0	0	0	0.00%
Grand Total (A+B+C)	54942861	103	54942964	100.00%	54942461	503	54942964	100%	0.00%

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Kailash Gupta	23609495	42.97%	42.97%	23609495	42.97%	100.00%	0.00%
2	Rekha Gupta	3439590	6.26%	6.26%	3439590	6.26%	100.00%	0.00%
3	Nandini Malpani	1620000	2.95%	2.95%	1620000	2.95%	100.00%	0.00%
4	Nandini Malpani	1124105	2.05%	2.05%	1124105	2.05%	100.00%	0.00%
5	Nandini Malpani	469338	0.85%	0.85%	469338	0.85%	100.00%	0.00%
6	Shalini Gupta	58030	0.11%	0.00%	58030	0.11%	0.00%	0.00%
7	Commercial Automobiles Pvt Ltd.	27054	0.05%	0.00%	0	0.00%	0.00%	0.05%
	TOTAL	30347612	55.23%	55.08%	30320558	55.19%		0.05%

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

Sl. No. I - Commercial Automobiles Pvt. Ltd		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		27054	0.05%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**		0	0	0
NIL	NIL	0	0.00%	0	0.00%
Decrease					
Date	**Reason for Decrease**				
Nil	Sales	27054	0.05%	0	0.00%
At the End of the year		0	0.00%	0	0.00%

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

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

Sl. No.: 2 - ISHAAN METALS PVT. LTD		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0.00%	0	0.00%
Changes During the Year					
Increase					
Date	**Reason for Increase**				
01.12.2017	PURCHASE	392067	1%	392067	1%
Decrease					
Date	**Reason for Decrease**				
At the End of the year (or on the date of separation, if separated during the year)		392067	0.71%	392067	0.71%
NIL	NIL				

Sl. No.: 3 - GEETA SHENAVA		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		237611	0.43%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
NIL	NIL	0		0	
Decrease					
Date	**Reason for Decrease**				
NIL	NIL	0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		237611	0.43%	0	0.00%

Sl. No.: 4 -ASISH FINANCE PRIVATE LIMITED		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		200000	0.36%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
NIL	NIL	0		0	
Decrease					
Date	**Reason for Decrease**				
NIL	NIL	0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		200000	0.36%	0	0.00%

SI. No.: 5 - SMC GLOBAL SECURITIES LIMITED		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		199418	0.36%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
NIL	NIL	0		0	
Decrease					
Date	**Reason for Decrease**				
NIL	Sales	7647	0.01%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		191771	0.35%	0	0.00%

SI. No.: 6 - ROHAN ALEX RENJI		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0.00%	0	
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
	Purchase	185000	0.34%	185000	0.34%
Decrease					
Date	**Reason for Decrease**				
	Sale	0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		185000	0.34%	185000	0.34%

SI. No.: 7 - BIHARI LAL GUPTA		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0.00%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
	Purchase	154342	0%	0	0%
Decrease					
Date	**Reason for Decrease**				
		0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		154342	0.28%	0	0.05%

Sl. No.: 8 - CENTILLION CAPITAL PRIVATE LIMITED		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0.00%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
NIL	Purchase	139432	0%	0	
Decrease					
Date	**Reason for Decrease**				
NIL	NIL	0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		139432	0.25%	0	0.00%

Sl. No.: 9 - KOTAK SECURITIES LTD.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0.00%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
	Purchase	130000	0.24%	130000	0.24%
Decrease					
Date	**Reason for Decrease**				
NIL	NIL	0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		130000	0.24%	130000	0.24%

Sl. No.: 10 - ARYAV SECURITIES PRIVATE LIMITED		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0.00%	0	0.00%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**				
NIL	Purchase	125700	0%	0	0%
Decrease					
Date	**Reason for Decrease**				
NIL	NIL	0	0.00%	0	0.00%
At the End of the year (or on the date of separation, if separated during the year)		125700	0.23%	0	0.00%

v. Shareholding of Directors and Key Managerial Personnel:

S. No.: 1 Mr. Kailash Gupta		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		23609495	42.97%	23609495	42.97%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	**Reason for Increase**		0	0	0
NIL	NIL	0	0.00%	0	0.00%
Decrease					
Date	**Reason for Decrease**				
NIL	NIL	0	0.00%	0	0.00%
At the End of the year		23609495	42.97%	23609495	42.97%

V. INDEBTEDNESS

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

(Rs.in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	14440.79	1458.79	0.00	15899.58
ii) Interest due but not paid	932.08	0.00	0.00	932.08
iii) Interest accrued but not due	20.73	78.75	0.00	99.48
Total (i+ii+iii)	15393.60	1537.54	0.00	16931.14
Change in Indebtedness during the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtness**
* Addition	6444.73	533.21	0.00	6977.94
* Reduction	4101.93	9.84	0.00	4111.77
Net Change	2342.80	523.37	0.00	2866.17
Indebtedness at the end of the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtness**
i) Principal Amount	14441.45	2060.91	0.00	16502.36
ii) Interest due but not paid	3294.95	0.00	0.00	3294.95
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	17736.40	2060.91	0.00	19797.31

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

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

B. Remuneration to other directors :

Sl. no.	Particulars of Remuneration	Kailash Chand Gupta	Prabhakar Dalal	Venkat Manchi R Rao	P Y Gurav
1	**Independent Directors**				
	Fee for attending board committee meetings	40,000.00	70,000.00	175,000.00	175,000.00
	Commission				
	Others, please specify	12,538.00	-	14,307.00	-
	Total (1)				
2	**Other Non-Executive Directors**				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO / Company Secretary		Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,896,404.00		2,070,000.00	4,966,404.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**2,896,404.00**		**2,070,000.00**	**4,966,404.00**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

REPORT ON CORPORATE GOVERNANCE

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

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices embodied in the regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The Company has also adopted the Code of Conduct for the Directors and senior management personnel. The Company also has a Code for Prevention of Insider Trading for the Directors and the designated employees of the Company.

2. Board of Directors

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

In line with the Regulation 17(1) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 on Composition of Board of Directors, the Board has an optimum mix of Executive, Non-Executive and Independent Directors.

The Board met 05 times during the year 2017-18 i.e. on 29th May 2017, 22nd August 2017, 14th September 2017, 14th December 2017, and 02nd February 2018.

The composition of the Board and category of each director, and details of attendance of each Director at the Board Meetings and the last Annual General Meeting held on September 27, 2017, are given below:

Sr. No.	Name of Director	Category of Director	No of Board Meetings attended	Last AGM Attendance	Remark
1.	Dr. Kailash Chand Gupta	Promoter Non-Executive	2	Absent	Note 1
2.	Mr. Prabhakar Dalal Non-executive	Independent	2	Absent	Note 2
3.	Mr. Prakash Yashwant Gurav	Independent Non-executive	5	Absent	
4.	Mr. Manchi Venkat Rajarao	Independent Non-executive	5	Absent	
5.	Mr. Abhishek Jaiswal	Additional Director (executive)	3	Present	Note 3
6.	Ms. Vineeta Shriwani	Independent, Non-executive and woman director	-	NA	Note 4

Note -

1. As per the provision contained in Section 152 of the Companies Act 2013, Mr. Kailash Gupta was liable to retire by rotation as on the date of AGM and was supposed to present himself for re-appointment. As Mr. Gupta in the meeting of Board of Directors Dated 22nd Day of August 2017 for approval of Notice of AGM and Director's Report didn't offered himself for re-appointment on the Board, hence from 27th Day of September 2017 his office of Director Stands vacated.
2. Mr. Prabhakar Dalal resigned from the Board w.e.f. 01st Day of September 2017, due to personal reasons and other professional commitments.
3. Mr. Abhishek Jaiswal was re-designated as Additional Director, Executive and CEO by the Board of Directors in the Meeting held on 14th Day of September 2017, he is also acting as a member of Audit Committee. Mr. Abhishek Jaiswal was re-designated as Whole Time Director with effect from 14th day of October 2017.
4. Mrs.Nandini Malpani had resigned from the Board with effect from May 20,2016. She was 'woman director. The Company had immediately initiated steps to induct a suitable 'person to fill the caused by her resignation. Ms. Vineeta Shriwani was inducted / appointed as an Independent Non-Executive Director w.e.f. 26th Day of March 2018. Ms. Shriwani is acting as Member of Audit Committee and Nomination and Remuneration Committee.

b) Details of Directorships/ Board Committee memberships held by the Directors of the Company in other companies as on 31st March 2018:

Sr. No.	Name of Director	Directorship held in other companies (including Private Companies)	Position held as Chairperson of Board Committee	Position held as Board Committee member
1.	Mr. Abhishek Jaiswal	-	-	-
2.	Ms. Vineeta Shriwani	-	-	-
3.	Mr. Prakash Yashwant Gurav	5	4	7
4.	Mr. Manchi Venkat Rajarao	-	-	-

c) No. of Shares held by the Directors: (position as on 31.03.2018)

Sr. No.	Name of Director	Category of Director	No. of Shares held	%
1.	Mr. Prakash Yashwant Gurav	Non-Executive Independent	NIL	-
2.	Mr. Manchi Venkat Rajarao	Non-Executive Independent	NIL	-
3.	Mr. Abhishek Jaiswal	Executive Director & C.E.O.	NIL	-
4.	Ms. Vineeta Shriwani	Non-Executive Independent	NIL	-

d) Disclosure of Directors Relationship Inter-se

None of the directors have any relationship inter se.

e) Web Link of Familiarization Programmes imparted to Independent Directors is disclosed:

Following is the desired link: http://www.cebbco.com/docs/profile_for_investors.html

3. Audit Committee

The scope of the activities of the Audit Committee is as set out in Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015 read with Section 177 of the Companies Act, 2013. Brief description of terms of reference of the Audit Committee include-

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

ii. Changes, if any, in accounting policies and practices and reasons for the same

iii. Major accounting entries involving estimates based on the exercise of judgment by management

iv. Significant adjustments made in the financial statements arising out of audit findings

v. Compliance with listing and other legal requirements relating to financial statements

vi. Disclosure of any related party transactions

vii. Qualifications in the draft audit report

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

- ❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ❖ The Audit Committee shall mandatorily review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

a) Composition, name of members and chairperson.

The composition of the Audit Committee is as under

i. Mr. Prakash Yashwant Gurav - Chairperson

ii. Mr. Manchi Venkat Rajarao - Member

iii. Mr. Abhishek Jaiswal - Member (Inducted as member w.e.f. 14th September 2017)

iv. Ms. Vineeta Shriwani - Member (Inducted as member w.e.f. 17th May 2018)

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

b) Audit Committee Meetings were held on **29th May 2017, 22nd August 2017, 14th September 2017, 14th December 2017, and 02nd February 2018.** The attendances of the members are as follows: -

Sr. No.	Date of Audit Committee Meeting	Mr. Prakash Yashwant Gurav	Mr. Prabhakar Ramchandra Dalal	Mr. Manchi Venkat Rajarao	Mr. Abhishek Jaiswal
1	29.05.2017	Y	Y	Y	NA
2	22.08.2017	Y	Y	Y	NA
3	14.09.2017	Y	NA	Y	Y
4	14.12.2017	Y	NA	Y	Y
5.	02.02.2018	Y	NA	Y	Y

Y-Attended N-Not Attended NA - Not Applicable

The requisite quorum was present at the meetings.

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

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

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

4. Nomination & Remuneration Committee

a) The Nomination & Remuneration Committee is constituted on the following terms of reference:

The Nomination and Remuneration Committee shall ensure that-

i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- ❖ Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- ❖ Recommend to the Board their appointment and removal,
- ❖ Carry out evaluation of every director's performance.
- ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a director and
- ❖ Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

b) Nomination & Remuneration Policy:

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

c) The committee consists of following directors:

i) Mr. Manchi Venkat Raja Rao, (Chairperson)

ii) Mr. Prakash Yashwant Gurav

iii) Ms. Vineeta Shriwani (Inducted as member w.e.f 26th March 2018)

d) Nomination & Remuneration Committee Meetings.

As per the provision contained in section 178 of the Companies' act 2013 and LODR, Nomination and Remuneration Committee must have minimum 3 Non-Executive Independent Director as members. Mr. Prabhakar Dalal was member of the Nomination and Remuneration Committee, since his resignation i.e. 1st Day of September 2017 there were only two independent Directors on the Board till 26th Day of March 2018. Ms. Vineeta Shriwani was appointed as Non-Executive Independent Director as well as Member of NRC Committee w.e.f 26th March 2018; hence during the period no meeting was called / conducted of NRC Committee in the Financial Year 2017-18.

(e) Sitting fees

Sitting fees of Rs. 20000/- per meeting was paid to the directors for attending Board Meetings and Rs. 15000/- per meeting for attending Committee Meetings for the financial year 2017-18.

5. Remuneration of Directors:

(a) All pecuniary relationship or transactions of the non-executivedirectors vis-à-vis the listed entity has been covered in Form MGT-9 which is an Annexure III to the Directors Report.

(b) Criteria of making payments to non-executive directors is disseminated on the listed entity's website at the given link http://cebbco.com/docs/profile_for_investors.html

6. Stakeholder Relationship and Investors' Grievance Committee

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

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

a) Composition:

i) Mr. Manchi Venkat Rajarao- Chairman

ii) Mr. P Y Gurav (inducted as member w.e.f. 17th Day of May 2018)

iii) Mr. Abhishek Jaiswal (Inducted as member w.e.f 17th Day of May 2018)

b) Name and designation of Compliance Officer:

Mr. Amit K Jain designated as a Compliance Officer with effect from 17.02.2017 as per Regulation 6 of the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015.

Stakeholder Relationship Committee Meeting:-

As per the provision contained in section 178 (5) of the Companies' act 2013, Stake holder Relationship Committee must have Non -Executive Independent Director as Chairman and such other member as decided by the Board. Mr. Prabhakar Dalal and Mr. Kailash Gupta were members of the Stakeholder Relationship Committee. Due to resignation of Mr. Prabhakar Dalal w.e.f. 1st Day of September 2017 and vacation of office of Mr. Kailash Gupta w.e.f. 27th Day of September 2017, there was only one independent Director who was acting as Chairman of Stakeholder Relationship Committee. Mr. P Y Gurav and Mr. Abhishek Jaiswal were appointed as Member of Stake holder Relationship Committee w.e.f 17th May 2018;

After the said resignation and vacation from board only one member was left during the period hence no meeting was called / conducted in the Financial Year 2017-18. The complaints and queries of the shareholders were dealt by the Board of Directors during the period.

c) Details of requests received and redressed during the year 2017-18:

S.No.	Particulars	Received	Attended	Pending
1	Postal return documents	-	-	-
2	Receipt of DD against refund order from company/Bank	-	-	-
3	Issue of duplicate R/O	-	-	-
4	Non receipt of refund order	-	-	-
5	Clarification regarding shares	-	-	-
6	Non Receipt of Annual report	4	4	0
7	Non Receipt of Dividend Warrants	-	-	-
	Total	**-**	**-**	**-**

7. Corporate Social Responsibility (CSR) Committee

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

The Corporate Social Responsibility Committee shall-

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

b. The committee consists of following directors:

i) Mr. Manchi Venkat Rajarao (Chairman)
ii) Mr. P. Y Gurav (Inducted as member w.e.f. 17th Day of May 2018)
iii) Mr. Abhishek Jaiswal (Inducted as member w.e.f. 17th Day of May 2018)

In view of inadequacy of profits, the Company had not undertaken any CSR activity during the year.

8. Independent Directors Meeting:

During the year under review, the Independent Directors met on 02nd of February 2018 inter alia, to discuss:

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

9. 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
11th September, 2015	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	To consider raising borrowing limits of the Company ,to consider issue, offer and allotment of Equity shares under Employee Stock Option Scheme, To alter capital clause of the Memorandum of Association and To adopt new Articles of Association of the Company in conformity with Companies Act , 2013
24th September, 2016	Stock Exchange Auditorium,U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	

27th September, 2017	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	.

b. Extra ordinary general meeting held on 24th September 2016, in Financial Year 2016-17

As per the then prevailing, Sec 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ('the Act or SICA), if the accumulated losses of an Industrial Company as at the end of any financial year have resulted in erosion of Fifty Percent or more of its peak net worth during the immediately preceding four financial years, the Company was required to hold a general meeting of its shareholders for considering such erosion. The Shareholders noted the erosion in Net Worth and authorized the Board to take suitable steps.

c. Postal Ballots:

No resolution was passed by postal ballot in the year 2017-18.

10. 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

11. General Shareholder Information

a)	Number of Annual General Meeting	:	38th Annual General Meeting
b)	Date	:	28th September 2018
c)	Day	:	Friday
d)	Time	:	3.00 PM
e)	Venue	:	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003 (U.P.)

f) Financial Year 2018-19

Particulars	Date
First Quarter Results	On or before August 14, 2018
Second Quarter Results	On or before November 14, 2018
Third Quarter Results	On or before February 14, 2018
Audited Annual Results	On or before May 30, 2019

g) Book Closure Date : 25.09.2018 to 28.09.2018
(Both dates included)

h) 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 2018-19 to both the stock exchanges have been paid.

i) Stock Code of the Company on both the above mentioned Stock Exchanges:

Name of Stock Exchange	Stock Code
BSE	533272
NSE	CEBBCO

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

Sr. No.	Month	BSE				NSE			
		High Price Rs.	Low Price Rs.	SENSEX Highest	SENSEX Lowest	High Price Rs.	Low Price Rs.	Nifty 50 Highest	Nifty 50 Lowest
1	April, 2017	20.85	16.55	30184.22	29241.48	16.65	15.05	9367.15	9075.15
2	May, 2017	20.65	14.90	31255.28	29804.12	14.10	13.60	9649.60	9269.90
3	June, 2017	17.65	13.50	31522.87	30680.66	14.10	11.85	9709.30	9448.75
4	July, 2017	17.60	14.90	32672.66	31017.11	12.60	11.85	10114.85	9543.55
5	August, 2017	15.60	13.95	32686.48	31128.02	14.40	13.25	10137.85	9685.55
6	September, 2017	15.20	12.03	32524.11	31081.83	12.90	12.10	10178.95	9687.55
7	October, 2017	18.20	12.44	33340.17	31440.48	12.15	11.50	10384.50	9831.05
8	November, 2017	15.69	12.05	33865.95	32683.59	12.35	11.95	10490.45	10094.00
9	December, 2017	14.39	12.30	34137.97	32565.16	15.00	14.00	10552.40	10033.35
10	January, 2018	15.75	12.31	36443.98	33703.37	21.80	20.50	11171.55	10404.65
11	February, 2018	15.50	13.21	36256.83	33482.81	24.50	22.75	11117.35	10276.30
12	March, 2018	14.31	12.60	34278.63	32483.84	18.75	17.50	10525.5	9951.90

k) 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.

l) 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.

m) Shareholding Pattern as on 31.03.2018

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED
SHARE HOLDING PATTERN AS ON 31/03/2018

Sr. No.	Description	Cases	Shares	% Equity
1.	CLEARING MEMBERS	28	60973	0.11
2.	H U F	425	1172556	2.13
3.	BODIES CORPORATES	256	3014971	5.49
4.	NBFC	2	21000	0.04
5.	NON RESIDENT INDIANS	74	154010	0.28
6.	NRI NON-REPATRIATION	23	51761	0.09
7.	PROMOTER TRUST	3	3213443	5.85
8.	PROMOTER INDIVIDUALS	3	27107115	49.34
9.	RESIDENT INDIVIDUALS	11659	14141734	25.74
10.	TRUSTS	1	6005401	10.93
	Total:	**12474**	**54942964**	**100.00**

n) Distribution of Shareholding as of 31.03.2018:

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED
DISTRIBUTION SCHEDULE AS ON 31/03/2018

S. No.	Category	Cases	% of Cases	Amount	% Amount
1	Up to 1 - 5000	8388	67.24	15395260.00	2.80
2	5001 - 10000	1782	14.29	15548970.00	2.83
3	10001 - 20000	935	7.50	15226980.00	2.77
4	20001 - 30000	380	3.05	9866130.00	1.80
5	30001 - 40000	172	1.38	6283100.00	1.14
6	40001 - 50000	230	1.84	11150170.00	2.03
7	50001 - 100000	309	2.48	23923400.00	4.35
8	100001 & ABOVE	278	2.23	452035630.00	82.27
	Total :	**12474**	**100.00**	**549429640.00**	**100.00**

o) Dematerialization of Shares and Liquidity

54,942,461 equity shares of the Company have been dematerialized as on 31st March, 2018.

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. Amit K Jain, Company Secretary and Compliance Officer; 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur 482 001, Madhya Pradesh, India; Tel.: +91 761 2661336 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	48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur 482 001, Madhya Pradesh, India; Tel.: +91 761 2661336 E-mail: cs@cebbco.com; Website: www.cebbco.com

12. Other 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 34 to the Accounts of the Company in the Annual Report.

b. The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or other statutory authorities relating to the above.

c. The Company has formulated & adopted formal Whistle Blower Policy, and all the possible measures are taken to abide by the policy. In addition to this Company takes cognizance of complaints made and suggestions given by the employees and others.

13. The Company has complied with all the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation Disclosure Requirements)Regulations,2015 and Erstwhile Clause 49 of the listing agreement.

14. 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Pune
Date: 03 /08 / 2018

Prakash Y Gurav
Director
DIN - 02004317

Abhishek Jaiswal
Executive Director
& Cheif Executive Officer
DIN - 07936627

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

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

I Confirm that Company has in respect of the financial year ended March 31, 2018 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: Pune
Date: 03 /08 / 2018

Prakash Y Gurav
Director
DIN - 02004317

Abhishek Jaiswal
Executive Director
& Cheif Executive Officer
DIN - 07936627

S. K. Gupta & Co.
Company Secretaries

9, Roland Complex,
Upper Floor, 37/17,
Westcott Building,
The Mall,
Kanpur-208001
Telefax :0512- 2315123
Cell - 9415042137
E-mail:sk_gupta1@rediffmail.com

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Commercial Engineers & Body Builders Co. Limited.
84/105-A, G.T. Road,
Kanpur - 208003

We have examined the compliance of the conditions of the Corporate Governance by Commercial Engineers & Body Builders Co. Limited ("the Company") for the Financial Year ended 31st March, 2018. as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and pars C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. 2015 [hereinafter referred to as "Listing Regulations").

The compliance of the conditions of the Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither audit nor an expression of the 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 and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned "Listing Regulations" except for the appointment of Woman Director in the casual vacancy caused on 20th May, 2016 which was filled by the Board of Directors of the Company on 26th March, 2018 [Regulation 17(1)(a) of the Listing Regulations], the Composition of Nomination & Remuneration Committee [Regulation 19 of the Listing Regulations] and Stakeholders'

Relationship Committee [Regulation 20 of the Listing Regulations] of the Board of Directors of the Company which remained inadequate during later part of the year due to vacancy caused in the office of constituent Directors.

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

For S.K.Gupta & Co.
Company Secretaries

S.K. GUPTA
Managing Partner
F.C.S 2589

Place : Kanpur
Date : 25.07.2018

CEO & CFO CERTIFICATE

25/05/2018

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

Dear Sirs,

a. This is to confirm that, We have reviewed financial statements and the cash flow statement for the year 2017-18 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 omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or which 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 the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have been taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee

   i. That there are no significant changes in internal control over financial reporting during the year;

   ii. That there are no significant changes in accounting policies during the year 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

Abhishek Jaiswal
Chief Executive Officer

Amit K Jain
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Commercial Engineers and Body Builders Co Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Commercial Engineers and Body Builders Co Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Material Uncertainty Related to Going Concern

We draw attention to Note 49 in the Ind AS financial statements, which indicates that the Company incurred a net loss of INR 3,691.27 lakhs during the year ended 31 March 2018 and, as of that date, the company's liabilities exceeded its total assets by INR 6,717.72 lakhs. Further, the Company has been incurring cash losses affecting its ability to service its borrowings/creditors/ other liabilities and similar obligations. As stated in Note 49, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The Management is confident about the

positive outcome of the restructuring and continued support of its customers resulting in revival of the operations of the Company. Accordingly, the Ind AS financial statements have been prepared by the Company on a going concern basis.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 29 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) The going concern matter described under the 'Material Uncertainty Related to Going Concern' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 38 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

***For* B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 25 May 2018

Annexure A referred to the Independent Auditor's Report to the Members of Commercial Engineers and Body Builders Co Limited on Ind AS financial statements for the year ended 31 March 2018.

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the books of account, the title deeds of immovable property are held in the name of the Company.

(ii) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties at the year-end, written confirmations have been obtained. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. As informed to us, there are no firms covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, in respect of loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of

the Act for any of the goods sold by the Company. Accordingly, para 3(vi) of the Order is not applicable.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Services Tax ('GST') and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been serious delays in deposit of Provident Fund, Employees' State Insurance, Value Added Tax and Income Tax.

According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except as mentioned below:

(INR In Lakhs)

Name of Statute	Nature of Dues	Amount	Period to which the Amount Relates	Due Date	Date of Subsequent Payment
MP VAT Act, 2002	Value Added Tax	9.67	April 2010 - March 2011	07 Feb, 2017	Not Yet Paid
MP VAT Act, 2002	Value Added Tax	3.71	April 2015 - March 2016	30 April, 2016	Not Yet Paid
Income Tax Act, 1961	Tax Deducted at Source	2.56	July 2017	7 Aug, 2017	Not Yet Paid
Income Tax Act, 1961	Tax Deducted at Source	2.56	August 2017	7 Sep, 2017	Not Yet Paid

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service Tax, Duty of Excise, Value Added Tax and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

(INR In Lakhs)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved*	Amount Paid under Protest
Central Excise Act,1944	Excise Duty	AC, Jabalpur	April 2009- June 2009	14.37	-
		CEC, Jabalpur	April 2008-April 2016	1,217.95	400.00
		CEC, JSR	December 2010- April2018	192.87	-
		CEC, Pitampur	Oct 2012- Feb 2014	8.94	-
		High Court, Madhya Pradesh	July 2008 - August 2009	2,047.00	-
		CESTAT, New Delhi	Oct 2009- March 2014	1,374.24	107.60
		CESTAT, Kolkata	April 2011-March 2015	3.54	0.53
		Commissioner (Appeals), Bhopal	Sep 2010 April 2014 to Dec 2014	35.60	-
MP Commercial Tax Act,1994	Value Added Tax	Appellate Board, Bhopal	F Y 2007-08	64.41	18.03
		Appellate Board, Bhopal	F Y 2008-09	63.35	17.78
		Supreme Court	F Y 2012-13	1,406.50	-
MP Entry Tax Act, 1976	Entry Tax	Appellate Board, Bhopal	F Y 2009-10	30.89	8.65
Central Sales Tax Act,1956	Central SalesTax	Appellate Board, Bhopal	F Y 2007-08	11.02	3.09
		Appellate Board, Bhopal	F Y 2010-11	29.77	28.29
		Additional Commissioner, Jabalpur	F Y 2012-13	6.11	2.81
Jharkhand VAT Act, 2005	Value Added Tax	Dy. Commissioner of Commercial Taxes, Adityapur Circle, Jamshedpur	April 2011 to March 2012	217.20	-
		Dy. Commissioner of Commercial Taxes, Adityapur Circle, Jamshedpur	April 2012 to March 2013	63.97	-
Income Tax Act,1956	Income Tax	CIT (Appeals), Kanpur	A.Y. 2012-13	15.93	
		CIT (Appeals), Kanpur	A.Y. 2013-14	594.65	
		CIT (Appeals), Kanpur	A.Y. 2014-15	-	
		CIT (Appeals), Kanpur	A.Y. 2015-16	-	

** amounts as per demand orders including interest and penalty wherever indicated in the demand.*

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions except as under :

(INR In Lakhs)

Particulars	Amount of default in repayment		Period of default
	Principal	Interest	
Dues to Financial Institution :			
Tata Capital Financial Services Limited	2,559.60	1,001.65	March 2016 - March 2018
Dues to Banks :			
HDFC Bank Limited	1,847.97	330.73	November 2016 - March 2018
Axis Bank Limited	11,102.24	2,019.88	November 2016 - March 2018

(ix) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the company, the company has not raised money by way of initial public offer or further public offer (including debt instrument) and taken term loan during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

(x) Based on our examination of the books of account and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Commercial Engineers and Body Builders Co Limited

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Commercial Engineers and Body Builders Co Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial

statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that ;

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference

to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W /W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

Commercial Engineers & Body Builders Co. Ltd.

Balance Sheet as at 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	13,453.11	14,468.44	15,533.29
Capital work-in-progress	3	198.44	198.69	200.39
Intangible assets	4	-	-	7.48
Financial assets				
(i) Investments	5	0.10	0.10	0.10
(ii) Loans	6	44.00	93.31	99.25
Deferred tax assets (net)	35	-	-	-
Other non-current assets	7	2,776.47	2,727.95	1,814.43
Total non-current assets		**16,472.12**	**17,488.49**	**17,654.94**
Current assets				
Inventories	8	926.52	697.26	979.55
Financial assets				
(i) Trade receivables	9	685.04	1,569.89	1,233.63
(ii) Cash and cash equivalents	10	333.84	42.77	5.23
(iii) Bank balances other than (ii) above	11	107.34	124.97	247.13
(iv) Loans	12	195.56	198.97	239.11
(v) Other financial assets	13	222.87	6.67	13.56
Other current assets	14	1,909.44	2,384.00	2,754.90
Total current assets		**4,380.61**	**5,024.53**	**5,473.11**
Total assets		**20,852.73**	**22,513.02**	**23,128.05**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	5,494.30	5,494.30	5,494.30
Other equity	16	(12,212.02)	(8,526.07)	(4,965.61)
Total equity		**(6,717.72)**	**(3,031.77)**	**528.69**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	17	570.84	4,333.97	6,385.89
(ii) Other financial liabilities	18	5.00	5.00	5.00
Provisions	19	33.72	33.13	20.73
Other non-current liabilities	20	3,388.55	3,290.38	2,419.44
Total non-current liabilities		**3,998.11**	**7,662.48**	**8,831.06**
Current liabilities				
Financial liabilities				
(i) Borrowings	21	4,520.64	3,970.63	3,952.89
(ii) Trade payables	22	2,559.26	3,549.55	3,377.78
(iii) Other financial liabilities	23	15,617.32	9,437.05	5,216.83
Other current liabilities	24	461.05	641.37	922.58
Provisions	25	172.29	34.55	39.06
Current tax liabilities (net)	26	241.78	249.16	259.16
Total current liabilities		**23,572.34**	**17,882.31**	**13,768.30**
Total equity and liabilities		**20,852.73**	**22,513.02**	**23,128.05**

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

***For* and on behalf of the Board of Directors of**
Commercial Engineers and Body Builders Co. Limited.

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & C.E.O.
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
Membership No. 39779

Place : Pune
Date : 25 May 2018

Statement of Profit and Loss for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	27	9,963.96	15,051.79
Other income	28	116.43	44.38
Total Income		**10,080.39**	**15,096.17**
Expenses			
Cost of materials consumed	29	7,970.47	8,280.10
Changes in inventories of finished goods and work-in-progress	30	(186.17)	183.44
Excise duty on sales		247.46	4,518.09
Employee benefits expense	31	495.34	584.04
Finance costs	32	2,777.96	2,730.34
Depreciation and amortisation expense	33	1,035.23	1,035.80
Other expenses	34	1,431.37	1,324.64
Total expenses		**13,771.66**	**18,656.45**
Loss before tax		**(3,691.27)**	**(3,560.28)**
Tax expense	35	-	-
Loss for the year		**(3,691.27)**	**(3,560.28)**
Other comprehensive income/(expense)			
Items that will not be reclassified to the statement of profit and loss			
Re-measurement gain/(loss) of defined benefit obligation		5.32	(0.18)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income/ (expense) for the year, net of taxes		**5.32**	**(0.18)**
Total comprehensive income/ (expense) for the year		**(3,685.95)**	**(3,560.46)**
Loss per equity share			
Basic and diluted loss per equity share [Nominal value of INR 10 per share (31 March 2017, INR 10 per share, 1 April 2016, INR 10 per share)]	39	(6.72)	(6.48)

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

***For* and on behalf of the Board of Directors of**
Commercial Engineers and Body Builders Co Limited.

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & C.E.O.
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
Membership No. 39779

Place : Pune
Date : 25 May 2018

Commercial Engineers & Body Builders Co. Ltd.

Cash flow statement for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Loss before tax	(3,691.27)	(3,560.28)
Adjustments for :		
Depreciation and amortisation	1,035.23	1,035.80
(Profit) on sale of property, plant and equipment / discarded assets	(17.43)	(11.00)
Provision for doubtful debt and advances	244.02	58.33
Liabilities / provisions no longer required written back	(73.28)	-
Interest income	(11.51)	(18.11)
Finance cost	2,777.96	2,730.34
Operating cash flow before working capital changes	**263.72**	**235.08**
Changes in assets and liabilities		
(Increase)/decrease in inventories	(229.25)	282.29
Decrease / (increase) in trade receivables, financial assets & other assets	914.23	(760.81)
(Decrease(/ increase in trade payables, financial liabilities & other liabilities	(1,154.45)	815.83
Increase/(decrease) in provisions	133.02	7.89
Cash generated from operations	**(72.73)**	**580.28**
Income-taxes paid	(2.28)	(14.45)
Net cash provided by operating activities (A)	**(75.01)**	**565.83**
Cash flow from investing activities		
Purchases of property, plant and equipment	(25.32)	(28.30)
Interest received	9.65	21.62
Proceeds from sale of property plant & equipment	22.05	11.00
Net cash used in investing activities (B)	**6.38**	**4.32**
Cash flow from financing activities		
Proceeds from Current Borrowings	700.00	1,115.30
Repayment of Current Borrowings	(170.00)	(1,214.47)
Proceeds from Non Current Borrowings	-	3,200.00
Repayment of Non Current Borrowings	-	(2,008.63)
Finance Cost Paid	(170.29)	(1,624.81)
Net cash (used)/provided in financing activities (C)	**359.71**	**(532.61)**
Net Cash Flows [increase/(decrease)] during the year (A+B+C)	**291.07**	**37.54**
Cash and cash equivalents at the beginning of the year	42.77	5.23
Cash and cash equivalents at the end of the year	**333.84**	**42.77**
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	329.43	42.27
- Deposits with original maturity of less than three months	-	-
Cash on hand	4.41	0.50
Cash and cash equivalents at the end of the year	**333.84**	**42.77**

Notes:

1. The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows ".
2. Amendment to Ind AS 7: Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of these standalone financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. Refer note 21(iii).

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

***For* and on behalf of the Board of Directors of**
Commercial Engineers and Body Builders Co Limited.

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & C.E.O.
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
Membership No. 39779

Place : Pune
Date : 25 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2016	**5,494.30**
Changes in equity share capital during the year ended 31 March 2017	-
Balance as at 31 March 2017	**5,494.30**
Changes in equity share capital during the year ended 31 March 2018	-
Balance as at 31 March 2018	**5,494.30**

B. Other equity

Particulars	Equity component of compound financial instrument (Note 15)	Reserve and surplus (1)				Total
		General reserve	Capital reserve	Securities Premium account	Surplus in Statement of Profit or loss	
Balance as at 1 April 2016	899.34	9.80	8.72	12837.80	(18,721.27)	**(4,965.61)**
Loss for the year	-	-	-	-	(3,560.28)	**(3,560.28)**
Other comprehensive income / (expense) for the year	-	-	-	-	(0.18)	**(0.18)**
Balance as at 31 March 2017	899.34	9.80	8.72	12837.80	(22,281.73)	(8,526.07)
Balance as at 1 April 2017	899.34	9.80	8.72	12837.80	(22,281.73)	**(8,526.07)**
Loss for the year	-	-	-	-	(3,691.27)	**(3,691.27)**
Other comprehensive income / (expense) for the year	-	-	-	-	5.32	**5.32**
Balance as at 31 March 2018	899.34	9.80	8.72	12837.80	(25,967.68)	(12,212.02)

Notes:

1. Refer note 16 for nature and purpose of these reserves

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

***For* and on behalf of the Board of Directors of**
Commercial Engineers and Body Builders Co Limited.

P.Y. Gurav
Director
(DIN: 02004317)

Amit Jain
Chief Financial Officer & Company Secretary
Membership No. 39779

Place : Pune
Date : 25 May 2018

Abhishek Jaiswal
Executive Director & C.E.O.
(DIN: 07936627)

1.1 Corporate Information

Commercial Engineers and Body Builders Co Ltd. (the "Company") is a Company domiciled in India, with its registered office stated at 84/105A, G T Road, Kanpur Mahanagar, Uttar Pradesh (CIN: L24231UP1979PLC004837). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is primarily involved in manufacturing of tippers, local bodies, wagons and components with manufacturing facilities at Jabalpur, Indore and Jamshedpur.

1.2 Basis of preparation

a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 46.

The financial statements were authorised for issue by the Company's Board of Directors on 25 May 2018.

Details of the Company's accounting policies are included in Note 2.

b) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (INR). The financial statements are presented in INR which is Company's functional and presentational currency.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(m) - leases: whether an arrangement contains a lease
- Note 2(m) - lease classification
- Note 2(p) (i) - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March, 2018 is included in the following notes:

- Note 2 (g)(iii) and 40- measurement of defined benefit obligations: key actuarial assumptions
- Note 2 (b) - measurement of useful lives and residual values to property, plant and equipment
- Note 2 (c) - measurement of useful lives of intangible assets
- Note 1.2 (e) and 2(p) - fair value measurement of financial instruments & impairment thereon.
- Note 2 (k) and 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources

- Note 2 (f) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2 (j) - Impairment of non financial assets.

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the board of directors.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 1 April 2016 for the purposes of the transition to Ind AS.

a) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date."

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the

Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property plant and equipment are recognised in the statement of profit and loss.

All spare parts which are expected to be used for more than one accounting period are capitalised as property, plant and equipment.

Capital work-in-progress is stated at cost, net of impairment loss, if any.

Transition to Ind AS

The Company has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continue to use the Previous GAAP carrying amount as the deemed cost under Ind AS on the date of transition to Ind AS. Therefore, the Previous GAAP carrying amounts of items of property, plant and equipment as at April 1, 2016 (the Company's date of transition to Ind AS) have been considered as the carrying amounts under Ind AS on April 1, 2016. (Also refer note 46).

Subsequent expenditure

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits

embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of profit and loss as incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives.

Depreciation is provided using written down value method for the assets acquired prior to 1 January 2011 and using straight line method for the assets acquired after 1 January 2011.

(i) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.

(ii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.

(iii) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.

(iv) Leasehold land is amortised over the primary lease period or the useful life, whichever is shorter.

(v) Freehold land is not depreciated

Depreciation methods, useful lives and residual values are reviewed at each financial year, and changes, if any, are accounted for prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c) Intangible assets

Recognition and initial measurement

Intangible assets comprise computer software. Intangible assets that are acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in statement of profit and loss as incurred.

Amortisation

Intangible assets, being computer software is amortised in the statement of profit and loss over the estimated useful life of 3 years using the straight line method.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

The amortisation method and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

d) Inventories

Inventories are measured at lower of cost and net realizable value. The methods of determining costs of various categories of inventories are as follows:

Raw materials	First-in First-out method
Work-in-progress and finished goods (manufactured)	Weighted average method including an appropriate share of variable and fixed production overheads.
Finished Goods	Weighted average method including an appropriate share of variable and fixed production overheads.
Stores and spares	First-in First-out method

Costs includes expenditure incurred in acquiring the inventories, production or conversion costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognized when the products are dispatched and significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue is recognised inclusive of excise duty and net of value added tax/sales tax/goods and service tax (GST).

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of scrap is accounted for as and when sold.

Other Income

For instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

f) Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in

respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

g) Employee benefits

i) **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short- term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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

ii) **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by the employees.

The Company makes specific contributions to provident fund.

iii) **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has following defined benefit plans:

Gratuity

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment. These are funded by the Company and are managed by the Life Insurance Corporation of India (LIC).

The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit or loss in subsequent periods.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

h) Foreign currency transactions and translation

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ (losses) arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the statement of profit and loss.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

Notes to the financial statements for the year ended 31 March 2018

i) Finance expense

Finance expenses comprises of interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowings of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period., If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

l) Borrowings and borrowing cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

m) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 - Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 36 for segment information.

o) Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') - debt instrument;
- FVOCI - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a

financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets : Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a

contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets : Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Impairment

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, is recognised as an impairment gain or loss in the statement of profit and loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r) Earnings per share

Basic earnings per equity share is computed by dividing the Net Profit / Loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per equity share is computed by dividing the net profit/loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

s) Ind AS 115 'Revenue from Contracts with Customers'

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Cumulative catch - up approach - Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

3. Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Leasehold land	Buildings	Plant & equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Deemed cost as at 1 April 2016	1,743.52	97.41	5,412.01	8,032.55	7.99	7.34	232.47	15,533.29	200.39
Cost as at 1 April 2016	**1,743.52**	**97.41**	**5,412.01**	**8,032.55**	**7.99**	**7.34**	**232.47**	**15,533.29**	**200.39**
Add: Additions made during the year	-	-	-	19.97	-	0.12	4.49	24.58	-
Less: Disposals/ adjustments during the year	-	-	-	61.12	-	-	-	61.12	1.70
Balance as at 31 March 2017	**1,743.52**	**97.41**	**5,412.01**	**7,991.40**	**7.99**	**7.46**	**236.96**	**15,496.75**	**198.69**
									-
Add: Additions made during the year	-	-	1.91	18.42	1.84	2.28	0.07	24.52	
Less: Disposals/ adjustments during the year	-	-	-	6.41	-	-	-	6.41	0.25
Balance as at 31 March 2018	**1,743.52**	**97.41**	**5,413.92**	**8,003.41**	**9.83**	**9.74**	**237.03**	**15,514.86**	**198.44**
Accumulated depreciation									
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	
Add: Depreciation expense for the year	-	4.41	243.23	733.24	5.31	4.27	37.85	1,028.31	-
Less: Disposals/ adjustments during the year	-	-	-	-	-	-		-	-
Balance as at 31 March 2017	**-**	**4.41**	**243.23**	**733.24**	**5.31**	**4.27**	**37.85**	**1,028.31**	**-**
Add: Depreciation expense for the year	-	4.46	250.30	739.15	2.36	2.53	36.43	1,035.23	-
Less: Disposals/ adjustments during the year	-	-	-	1.79	-	-	-	1.79	
Balance as at 31 March 2018	**-**	**8.87**	**493.53**	**1,470.60**	**7.67**	**6.80**	**74.28**	**2,061.75**	**-**
Net carrying amount									
As at 31 March 2018	1,743.52	88.54	4,920.39	6,532.80	2.16	2.94	162.75	13,453.11	198.44
As at 31 March 2017	1,743.52	93.00	5,168.78	7,258.16	2.68	3.19	199.11	14,468.44	198.69
As at 1 April 2016	1,743.52	97.41	5,412.01	8,032.55	7.99	7.34	232.47	15,533.29	200.39

Notes:

a) For details of assets pledged/ hypothecated as securities, refer note 17 and 21.

b) Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Capital work in progress as at 31 March 2018 is net of impairment provision of INR 1,154.97 lakhs (31 March 2017 INR 1,167.32 lakhs, 1 April 2016 INR 1,167.32 lakhs).

d) The Company has elected exemption under Ind AS - 101, First Time Adoption of Indian Accounting Standards and has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly exchange differences capitalised during the year ended 31 March 2018 was INR 8.89 lakhs {31 March 2017: INR (61.12) lakhs, 1 April 2016: Nil}. Further, the company has also availed optimal exemption and continue with the carrying value for all of its property, plant & equipment and capital work in progress as its deemed cost as at the date of transition. (Ref. Note - 46)

4. Intangible assets

Particulars	Software	Total
Gross carrying amount		
Deemed cost as at 1 April 2016	7.48	7.48
Balance as at 31 March 2017	**7.48**	**7.48**
Balance as at 31 March 2018	**7.48**	**7.48**
Accumulated amortisation		
Balance as at 1 April 2016	-	-
Add: Amortisation expense for the year	7.48	7.48
Balance as at 31 March 2017	**7.48**	**7.48**
Add: Amortisation expense for the year	-	-
Balance as at 31 March 2018	**7.48**	**7.48**
Net book value		
As at 31 March 2018	-	-
As at 31 March 2017	-	-
As at 1 April 2016	7.48	7.48

Notes :
The Company has elected Ind AS 101 exemption and continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition. (Ref. Note No. 46)

5. Non-current financial assets- Investments	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Investments in equity shares (at fair value through Profit and Loss)			
Unquoted equity instruments			
Kailash Motors Private Limited			
1000 (31 March 2017: 1000, 1 April 2016: 1000) equity shares of face value of INR 10/- each, fully paid up	0.10	0.10	0.10
Total	**0.10**	**0.10**	**0.10**
Aggregate amount of non-current unquoted investments	**0.10**	**0.10**	**0.10**
Aggregate amount of impairment in the value of investments	**-**	**-**	**-**

6. Non-current financial assets- Loans	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Unsecured, considered good			
Security deposits	44.00	93.31	99.25
Unsecured, considered doubtful			
Security deposits	47.71	-	-
	91.71	93.31	99.25
Less: Loss allowance for doubtful security deposits	47.71	-	-
Total	**44.00**	**93.31**	**99.25**
Movement in expected credit loss allowance on security deposits			
Opening balance	-	-	-
Add: Allowance measured at expected credit losses	47.71	-	-
Less: Utilisation during the year	-	-	-
Closing balance	**47.71**	**-**	**-**

Refer note 44 for detailed disclosure on fair value of financial assets carried at amortised cost.

7. Other non-current assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Statutory dues paid under protest (refer note 38)	2,775.38	2,726.71	1,792.97
Capital advances	0.24	0.38	17.80
Prepaid expenses	0.85	0.86	3.66
Unsecured, considered doubtful			
Capital advances	17.75	17.75	-
	2,794.22	**2,745.70**	**1,814.43**
Less: Provision for doubtful capital advances	17.75	17.75	-
Total	**2,776.47**	**2,727.95**	**1,814.43**

8. Inventories* Valued at lower of cost and net realisable value	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw material {including in transit Nil (31 March, 2017: INR 0.20 Lakhs & 1 April,2016: Nil)}	419.45	357.56	451.25
Work in progress	439.74	272.41	419.41
Finished goods	-	-	30.77
Stores and spares	45.95	64.76	69.92
Scrap	21.38	2.53	8.20
	926.52	**697.26**	**979.55**

*During the year ended 31 March, 2018, an amount of INR 91.20 lakhs (31 March 2017 : INR 67.00 lakhs) was recognised as an expense for inventories carried at net realisable value.

9. Trade receivables	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good*	685.04	1,569.89	1,233.63
Doubtful	1,701.72	1,645.82	1,627.45
	2,386.76	3,215.71	2,861.08
Less : Loss allowance for trade receivables (refer note 44(b))	1,701.72	1,645.82	1,627.45
	685.04	1,569.89	1,233.63
Total	**685.04**	**1,569.89**	**1,233.63**

* Includes amount receivable from related parties INR 7.75 lakhs (31 March 2017: INR 14.11 lakhs, 1 April 2016: INR 12.64 lakhs)
For terms and conditions of trade receivables and loss allowance related to trade receivables owing from related parties, refer note 41.
The Company's exposure to credit and currency risks are disclosed in Note 44.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

10. Cash and cash equivalents	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- On current accounts	329.43	42.27	3.91
Cash on hand (Ref. Note 43)	4.41	0.50	1.32
Total	**333.84**	**42.77**	**5.23**

Information about Company's exposure to credit risks is disclosed in Note 44.

11. Bank balances other than cash and cash equivalents	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed deposits with bank under lien	107.34	124.97	247.13
Total	**107.34**	**124.97**	**247.13**

*Deposits include INR 107.34 lakhs (31 March 2017: INR 124.97 lakhs, 1 April 2016: INR 138.57 lakhs) being fixed deposits held as margin money or security against borrowings, guarantees and other commitments.

12. Current financial assets- Loans	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Security deposits	192.93	194.66	235.85
Loans to employees (including accrued interest)	2.63	4.31	3.26
Total	**195.56**	**198.97**	**239.11**

Refer note 44 for detailed disclosure on fair value of financial assets carried at amortised cost.

13. Current financial assets - Others	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Unbilled revenue	215.35	0.36	0.29
Interest accrued on term deposits	5.92	4.06	7.58
Other receivables	1.60	2.25	5.69
Doubtful			
Inter corporate deposits (refer note 47)	1,000.00	1,000.00	1,000.00
	1,222.87	**1,006.67**	**1,013.56**
Less: Loss allowance for Inter corporate deposits	1,000.00	1,000.00	1,000.00
Total	**222.87**	**6.67**	**13.56**
Movement in expected credit loss allowance on Inter corporate deposits			
Opening balance	1,000.00	1,000.00	1,000.00
Add: Allowance measured at expected credit losses	-	-	-
Less: Utilisation during the year	-	-	-
Closing balance	**1,000.00**	**1,000.00**	**1,000.00**

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

14. Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Advance to suppliers	186.39	77.65	111.37
Balance with statutory/government authorities	1,156.87	1,734.66	1,767.36
Prepaid expenses	9.71	10.12	16.33
Debt Service reserve account	-	-	43.54
Excise duty refund claim	-	-	259.18
Sales tax incentive receivable (refer note 48)	496.64	496.64	496.64
Income tax receivable	59.83	64.93	60.48
Unsecured, considered doubtful			
Advance to suppliers	74.79	56.20	34.00
Provident fund receivable	63.00	63.00	63.00
Balance with statutory/government authorities	94.60	-	-
	2,141.83	2,503.20	2,851.90
Less: Provision for doubtful advances	232.39	119.20	97.00
Total	**1,909.44**	**2,384.00**	**2,754.90**

15. Share capital

Authorised share capital

	Equity shares		Preference shares	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
As at 1 April 2016	57,050,000	570,500,000	2,000,000	200,000,000
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2017	57,050,000	570,500,000	2,000,000	200,000,000
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2018	57,050,000	570,500,000	2,000,000	200,000,000

Equity shares of INR 10 each issued, subscribed and fully paid up	Number of shares	Amount (INR)
As at 1 April 2016	54,942,964	549,429,640
Increase/(decrease) during the year	-	-
As at 31 March 2017	54,942,964	549,429,640
Increase/(decrease) during the year	-	-
As at 31 March 2018	54,942,964	549,429,640

Equity component of preference shares of INR 100 each issued and not fully paid up*

	Number of shares	Amount (INR)
As at 1 April 2016	2,000,000	89,934,048
Increase/(decrease) during the year	-	-
As at 31 March 2017	2,000,000	89,934,048
Increase/(decrease) during the year	-	-
As at 31 March 2018	2,000,000	89,934,048

*There are unpaid calls of INR 35 per share amounting to INR 700 lakhs. Accordingly, out of total issued shares of INR 2,000 lakhs, INR 1,300 lakhs is paid up which has been divided into debt and equity component. This note covers the equity component of the issued preference shares. The liability component is reflected in financial liabilities.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

a) Reconciliation of the shares outstanding at the beginning and at the end of reporting period

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Equity shares						
At the commencement of the year	54,942,964	549,429,640	54,942,964	549,429,640	54,942,964	549,429,640
Add: shares issued during the year	-	-	-	-	-	-
At the end of the year	**54,942,964**	**549,429,640**	**54,942,964**	**549,429,640**	**54,942,964**	**549,429,640**

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Preference shares						
At the commencement of the year	2,000,000	130,000,000	2,000,000	130,000,000	2,000,000	130,000,000
Add: shares issued during the year	-	-	-	-	-	-
At the end of the year	**2,000,000**	**130,000,000**	**2,000,000**	**130,000,000**	**2,000,000**	**130,000,000**

b) Terms, rights, preferences and restrictions attached to shares

-The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held.

-Preference shares are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry preferential dividend of 0.0001% per annum. These are redeemable only on completion of 10 years from the date of allotment and are non-transferable unless fully paid-up.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Equity shares of INR 10/- each fully paid held by						
Dr. Kailash Gupta	23,609,495	42.97%	23,609,495	42.97%	23,609,495	42.97%
Ms. Nandini Malpani	3,213,443	5.85%	3,213,443	5.85%	3,213,443	5.85%
(On behalf of Jashn Beneficiary Trust)						
Mrs. Rekha Gupta	3,439,590	6.26%	3,439,590	6.26%	3,439,590	6.26%
Tata Capital Growth Fund (I)	6,005,401	10.93%	6,005,401	10.93%	6,005,401	10.93%
Preference shares of INR 100/- each not fully paid held by						
Dr. Kailash Gupta	2,000,000	100%	2,000,000	100%	2,000,000	100%
and Mrs. Rekha Gupta (Jointly)						

d) Details of call unpaid

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Non-Convertible Cumulative Redeemable Preference Shares						
Aggregate of calls unpaid						
- By Director/Promoter	2,000,000	70,000,000	2,000,000	70,000,000	2,000,000	70,000,000

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

16. Other equity

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
General reserve	A	9.80	9.80	9.80
Capital reserve	B	8.72	8.72	8.72
Securities Premium account	C	12,837.80	12,837.80	12,837.80
Surplus / (Deficit) in Statement of Profit and Loss	D	(25,967.68)	(22,281.73)	(18,721.27)
Equity component of compound financial instrument	E	899.34	899.34	899.34
Total		**(12,212.02)**	**(8,526.07)**	**(4,965.61)**

		As at 31 March 2018	As at 31 March 2017
A.	**General reserve**		
	Balance as at the beginning of the year	9.80	9.80
	Balance at the end of the year	**9.80**	**9.80**
B.	**Capital reserve**		
	Balance as at the beginning of the year	8.72	8.72
	Balance at the end of the year	**8.72**	**8.72**
C.	**Securities Premium account**		
	Balance as at the beginning of the year	12,837.80	12,837.80
	Balance at the end of the year	**12,837.80**	**12,837.80**
D.	**Surplus / (Deficit) in Statement of Profit and Loss**		
	Balance as at the beginning of the year	(22,281.73)	(18,721.27)
	Add : Loss for the year	(3,691.27)	(3,560.28)
	Items of other comprehensive income/ (expense) recognised directly in retained earnings		
	Remeasurement of post employment benefit obligation, net of tax	5.32	(0.18)
	Balance at the end of the year	**(25,967.68)**	**(22,281.73)**
E.	**Equity component of compound financial instrument**		
	2,000,000 (31 March 2017: 2,000,000, 1 April 2016: 2,000,000) Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) of INR 100/- each, INR 35 (31 March 2017: INR 35, 1 April 2016: INR 35) not paid up	899.34	899.34
	Total	**899.34**	**899.34**
	Total other equity	**(12,212.02)**	**(8,526.07)**

Nature and purpose of reserve

i. General reserve

Pertains to reserves from scheme of arrangements that took place during 2007-08. This represents appropriation of profit by the company and is available for distribution of dividend.

ii. Capital reserve

Pertains to excess of purchase consideration over net assets taken over as per Scheme of Arrangement took place during 2007-08. Accumulated capital surplus is not available for distribution of dividend and expected to remain invested permanently.

iii. Securities premium reserve

The unutilized accumulated excess of issue price over face value on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

17. Borrowings	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured loans			
Term loans from banks*	-	1,664.28	2,174.57
Term loans from others*	-	1,452.64	1,923.96
External commercial borrowing (ECB)*	-	710.13	1,837.81
Liability component of compound financial instrument	570.84	506.92	449.55
	570.84	**4,333.97**	**6,385.89**
Add: Current maturities of non-current borrowings*:			
Secured loans			
Term loans from banks	6,300.00	4,566.67	2,400.00
Term loans from others	2,559.60	1,063.08	671.59
External commercial borrowing (ECB)	3,122.12	2,334.92	1,552.73
Total non-current borrowings (including non-current maturities)	**12,552.56**	**12,298.64**	**11,010.21**

*Loan has been classified as current since the Company has defaulted in repayment as per the terms of agreement and accordingly, the loans given to the Company has been classified as Non-Performing Assets in the books of lenders during the current year.

Repayment terms and security disclosure for the outstanding non-current borrowings (excluding current maturities) as at 31 March 2018:

From banks:

Secured Borrowings:

i) Nature of Security

a) Corporate Loan is secured by :-

Primary Security - Equitable mortgage on certain properties of group concerns and promoter along with his realtives.

Collateral Security

Subservient charge without no objection certificate on entire fixed assets of the company, present and future.

Pledge of 26.74% shareholding of the promoters in the company.

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

b) ECB Loan : -

Primary Security: - Exclusive charge on all the moveable and immoveable fixed assets, present and future, pertaining to unit at Deori.

Collateral Security: - Pari passu first charge on the remaining fixed assets of the company, present and future, along with WC lenders of the company, except for equipments which are exclusively and specially charged to Banks/Financial institution.

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

c) Rupee Term Loan: -

Rupee Term Loan - INR 2,500 lakhs

Primary Security :- Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richahai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments which are exclusively and specifically charged to banks / financial institutions.

Collateral Security: - Pari passu second charge on the entire current assets of the company, both present and future, except on specific equipments which are exclusively and specifically charged to Banks / Financial Institutions.
Guarantee: - Personal guarantee of Mr. Kailash Gupta, Mrs. Rekha Gupta and Mrs. Nandani Malpani.

Rupee Term Loan - INR 1,000 lakhs
Primary Security :- Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richahai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments which are exclusively and specifically charged to banks/financial institutions.
Collateral Security: - Pari passu second charge on the entire current assets of the company, both present and future.
Guarantee: - Personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta

Rupee Term Loan - INR 2,200 lakhs
Primary Security :- Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richahai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments which are exclusively and specifically charged to banks/financial institutions.
Collateral Security: - Pledge of 26.74% shareholding of the promoters in the company.
Guarantee: - Personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta

d) Term Loans from Others : -

Primary Security: - Extension of First pari passu charge along with Axis Bank on:
1. Factory land and building at Jamshedpur unit
2. Factory land and building situated at plot Nos. 21, 22 (area measuring 90,000 square feet) and Plot Nos. 33, 34 (area measuring 126,000 square feet) at industrial Estate, Richai, Jabalpur.
   Extension of second charge on all other fixed assets of the company along with Axis Bank and HDFC Bank.

Collateral Security: - Pledge of 15,889,914 unencumbered shares of the Company held by Jashn Beneficiary Trust and Mr. Kailash Gupta.
Guarantee: -
1. Irrevocable and unconditional personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta
2. Irrevocable and unconditional personal guarantee of Mrs. Nandani Malpani to the extent value of shares (3,213,443 nos.)
3. Irrevocable and unconditional corporate guarantee of Jashn Benificiary Trust

ii) Terms of Repayment

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

b) ECB Loan: -
ECB loan is repayable in quarterly 20 equal installments starting from 21 month from the date of 1st disbursement i.e. 17 February, 2012 and carries variable interest rate @ 6 months LIBOR + 350 bps margin

c) Rupee Term Loan: -

Rupee Term Loan - INR 2,500 lakhs
in 21 unequal monthly installment starting from 31 December, 2016 as under :-
1st - 3rd Installment INR 33.30 lakhs each
4th -15th Installment INR 100 lakhs each
16th - 21st Installment INR 200 lakhs each
And it carries interest rate of 14.15% p.a.

Rupee Term Loan - INR 1,000 lakhs in 3 equal quarterly installments starting from 27 July 2017 and it carries interest rate of 13.45% p.a.

Rupee Term Loan - INR 2,200 lakhs in 3 equal quarterly installments starting from 28 October 2017 and it carries interest rate of 13.35% p.a.

c) Term Loans from Others: -

First Term Loan

Interest - it carries interest rate of 14.50% p.a. to be paid on monthly basis till maturity.

Principal - 6 month moratorium starts from date of first tranche disbursement made in various installments from 16 December, 2014 to 25 February, 2015, thereafter payable in a structured manner as mentioned below

1. Next 6 months : INR 25 lakhs per month
2. Next 12 months : INR 41.67 lakhs per month
3. Next 12 months : INR 50 lakhs per month

Second Term Loan

Is repayable in bullet at the end of 3 years from the date of disbursement i.e. 3 June 2015 or mandatory repayment in event of Equity Infusion and carries floating interest rate of 14.50% p.a.

iii) Breach of loan covenant

The company has defaulted in repayment of loans and interest in respect of the following loans:

Particulars		As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
		Period of default	Amount	Period of default	Amount	Period of default	Amount
Corporate Loan							
	Principal	1-455 Days	600.00	1-90 Days	600.00	1-18 Days	500.00
	Interest	1-486 Days	143.67	1-121 Days	38.12	1-60 Days	77.87
Rupee Term Loan (INR 2,500 lakhs)							
	Principal	1-455 Days	2,500.00	1-90 Days	200.00		
	Interest	1-486 Days	529.63	1-121 Days	141.37	1-60 Days	86.14
Rupee Term Loan (INR 1,000 lakhs)							
	Principal	1-247 Days	1,000.00	-	-	-	-
	Interest	1-486 Days	199.81	1-121 Days	54.87	-	-
Rupee Term Loan (INR 2,200 lakhs)							
	Principal	1-154 Days	2,200.00	-	-	-	-
	Interest	1-486 Days	446.42	1-121 Days	124.15	-	-
External Commercial Borrowings (ECB)							
	Principal	1-514 Days	3,122.12	1-149 Days	778.31	1-52 Days	397.71
	Interest	1-514 Days	264.18	1-149 Days	93.29	1-52 Days	51.64
Other Term Loans from NBFC							
	Principal	1-758 days	2,559.60	1-393 Days	591.72	21-81 Days	129.00
	Interest	1-758 days	839.43	1-393 Days	331.23	1-31 Days	58.90

18. Other non-current financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	5.00	5.00	5.00
Total	**5.00**	**5.00**	**5.00**

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in note 44.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

19. Non-current provisions	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (Refer note 40)			
- Gratuity	33.72	33.13	20.73
Total	**33.72**	**33.13**	**20.73**

20. Other non-current liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Amount of duty refundable/ payable to customers*	3,388.55	3,290.38	2,419.44
Total	**3,388.55**	**3,290.38**	**2,419.44**

*Includes INR 2,692.11 lakhs (31 March 2017 : INR 2,646.47 Lakhs, 1 April 2016 : INR 1,713.48 Lakhs) pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has been availing Cenvat credit on chassis and has been paying Excise Duty on the Fully Built Vehicle (FBV). This amount represent the amount pertaining to unutilised cenvat credit payable to the customers.

21. Current financial liabilities - Borrowings	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured loans			
From banks			
Cash credit facilities	2,459.72	2,394.92	2,538.88
Unsecured loans			
From banks			
Loans repayable on demand	1,598.37	1,065.16	934.95
From others			
Loans and advances from related parties (refer note 41)	262.55	262.55	208.55
Loans from companies	200.00	248.00	270.51
Total	**4,520.64**	**3,970.63**	**3,952.89**

(i) Nature of Security

Cash Credit Facilities 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:

Second Pari passu charge on entire fixed assets of the company, both present and future.

(ii) Breach of loan covenant

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Period of default	Amount	Period of default	Amount	Period of default	Amount
Cash Credit Facilities						
Principal	1-547 Days	2,459.72	1-182 Days	2,394.92	-	-
Interest	1-547 Days	505.59	1-182 Days	100.97	-	-
Working capital loans						
Principal	1-486 Days	1,068.37	1-121 Days	1,065.16	-	-
Interest	1-486 Days	208.82	1-121 Days	47.50	-	-

(iii) Analysis of movement in borrowings

Particulars	As at 31 March 2017	Cashflows	Non cash changes			As at 31 March 2018
			Other changes	Foreign exchange movements	Fair value changes	
Non Current Borrowings (including current maturities)	12,298.65	-	253.91	-	115.82	12,552.56
Current Borrowings	3,970.63	530.00	20.01	-	-	4,520.64

22. Current financial liabilities- Trade payables	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due to micro small and medium enterprises (refer note 42)	112.12	27.91	19.97
Due to others	2,447.14	3,521.64	3,357.81
Total	**2,559.26**	**3,549.55**	**3,377.78**

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in note 44.

Notes:

a) It includes trade payable to related parties of INR 6.59 lakhs (31 March 2017: INR 6.59 lakhs, 1 April 2016: INR 6.91 lakhs)

b) For terms and conditions of trade payables owing to related parties, refer note 41.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

23. Other current financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital Creditors	94.06	94.75	99.84
Current maturities of long term borrowings (refer note 17)	12,126.51	7,964.69	4,624.31
Interest accrued but not due on borrowings	-	99.48	51.35
Interest accrued but not due on forward exchange contracts	-	-	29.28
Interest accrued and due on borrowings	3,294.96	1,094.30	282.56
Interest on statutory dues	17.77	95.82	17.30
Deposits from contractors and others	11.59	11.59	11.59
Employee benefits payable	72.43	76.42	100.60
Total	**15,617.32**	**9,437.05**	**5,216.83**

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in note 44.

24. Other current liabilities	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances from customers and others	300.29	209.18	495.01
Statutory dues payable	160.76	432.19	427.57
Total	**461.05**	**641.37**	**922.58**

25. Current provisions	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 40)			
- Gratuity	10.00	10.00	10.00
- Compensated absences	22.51	24.55	29.06
Provision for litigations	139.78	-	-
Total	**172.29**	**34.55**	**39.06**
Movement in provision for litigations			
Opening balance	-	-	-
Add: Provision recognised during the year	139.78	-	-
Less: Utilisation during the year	-	-	-
Closing balance	**139.78**	**-**	**-**

26. Current tax liabilities (net)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for income tax [net of advance income tax INR 682.48 lakhs (31 March 2017: INR 675.09 lakhs, 1 April 2016: INR 665.09 lakhs)]	241.78	249.16	259.16
Total	**241.78**	**249.16**	**259.16**

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

27. Revenue from operations	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Sale of load bodies and components	9,806.35	14,826.69
Sale of services		
Job work charges	28.40	84.42
Other operating revenue		
Sale of scrap	126.59	133.76
Others	2.62	6.92
Total	**9,963.96**	**15,051.79**
Product-wise particulars of sales		
Sale of load bodies	9,658.96	14,778.18
Sale of components	147.39	48.51
	9,806.35	**14,826.69**

Revenue from operations, computed in accordance with Ind AS 18 'Revenue', for the current year is not comparable with previous year since the same is net of Goods and Service Tax (GST) whereas excise duty form part of expenses in previous year and current year (uptill 30 June 2017). The comparative revenue from operations of the Company is given below:

Revenue from operations	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations (as reported)	9,963.96	15,051.79
Less : Excise duty on sales	(247.46)	(4,518.09)
Revenue from operations (net of excise duty)	9,716.50	10,533.70

28. Other income	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income		
- Deposits with banks	8.83	14.35
- Deposits with others	2.67	3.76
Profit on sale of property, plant and equipment (net)	17.43	11.00
Provisions/liabilities no longer required, written back	73.28	-
Rent	0.48	0.78
Miscellaneous income	13.74	14.49
Total	**116.43**	**44.38**

29. Cost of materials consumed	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw materials at the beginning of the year	422.32	521.05
Add: Purchases	8,099.08	8,279.13
Less: Sale of raw material	85.53	97.76
	8,435.87	8,702.42
Less: Raw material at the end of the year	465.40	422.32
Total cost of materials consumed	**7,970.47**	**8,280.10**
Particulars of materials consumed are as under:		
Iron and steel (sheets and components)	5,479.91	5,321.10
Hydraulic jacks	1,164.62	1,647.27
Other items	1,325.95	1,311.73
Total	**7,970.47**	**8,280.10**

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

30. Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock		
Finished goods	-	30.76
Work-in-progress	272.41	420.31
Scrap	2.53	7.32
Total	**274.94**	**458.39**
Closing stock		
Finished goods	-	-
Work-in-progress	439.73	272.42
Scrap	21.38	2.53
Total	**461.11**	**274.95**
Total changes in inventories of finished goods and work-in-progress	**(186.17)**	**183.44**
Work-in-progress		
Iron and steel components	439.73	272.42
	439.73	**272.42**

31. Employee benefits expense	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages, bonus, gratuity and allowances	428.13	502.47
Contribution to provident and other funds	23.48	26.77
Staff welfare expenses	43.73	54.80
Total	**495.34**	**584.04**

Refer note 40 for disclosure on gratuity.

32. Finance costs	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities at amortised cost	2,487.37	2,313.57
Bill discounting	117.74	167.46
Others	172.85	249.31
Total	**2,777.96**	**2,730.34**

33. Depreciation and amortisation expense	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment	1,035.23	1,035.80
Amortisation on intangible assets	-	-
Total	**1,035.23**	**1,035.80**

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

34. Other expenses		For the year ended 31 March 2018	For the year ended 31 March 2017
Labour charges		490.35	565.82
Power and fuel		150.61	172.10
Repair and maintenance			
- Buildings		1.51	12.11
- Plant and machinery		31.37	26.08
- Others		28.36	26.25
Rent		7.21	9.26
Auditors' remuneration			
As auditors:			
- Audit fee		12.00	10.00
- Limited review fee*		7.50	8.00
- Out-of-pocket expenses		7.83	5.20
In other manner:			
-Certification and other services		-	4.00
Insurance		11.17	12.33
Rates and taxes		201.28	95.54
Postage and telephone expenses		6.52	8.52
Travelling and conveyance		27.89	43.25
Vehicle Running Expenses		16.40	15.33
Printing and stationery		4.12	4.91
Freight and transport		9.11	38.09
Sales expenses		35.79	23.11
Security charges		54.72	54.79
Legal and professional		46.90	91.29
Director sitting fees		4.60	6.85
Loss on sale of property, plant and equipment (net)		-	-
Donation		-	0.25
Irrecoverable balances written off	28.72		
Less : Allowance for doubtful debts and advances adjusted out of above	28.72	-	-
Allowance for doubtful debts and advances (net)		244.02	58.33
Miscellaneous expenses		32.11	33.23
Total		**1,431.37**	**1,324.64**

*includes fees of INR 2.50 lakhs (Previous year : INR 8 lakhs) paid to erstwhile auditors

35. Income tax

A. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2018 and 31 March 2017:

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Rate	Amount	Rate	Amount
Loss before tax		(3,691.27)		(3,560.29)
Tax using the Company's domestic tax rate	26.00%	(959.73)	30.90%	(1,100.13)
Tax effect of:				
Non-deductible expenses	-24.90%	919.19	-19.33%	688.34
Non-taxable income	0.52%	(19.05)	0.00%	-
Unrecognised tax losses	-1.61%	59.60	-11.57%	411.79
Effective tax rate	**0.00%**	**-**	**0.00%**	**-**

B. Deferred tax assets/ liabilities

As at 31 March, 2018, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainity of taxable profits in future years, deferred tax assets have not been recognised. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferrred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets			(Deferred tax liabilities)			Net deferred tax assets/ (liabilities)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Property, plant and equipment	193.60	-	-	-	(610.40)	(1,032.89)	193.60	(610.40)	(1,032.89)
Provision for gratuity and compensated absences	17.22	20.91	18.48	-	-	-	17.22	20.91	18.48
Unabsorbed depreciation	2,821.44	3,033.29	2,304.02	-	-	-	2,821.44	3,033.29	2,304.02
Business loss	3,320.33	3,317.50	2,241.82	-	-	-	3,320.33	3,317.50	2,241.82
Provision for trade receivables and other advances	779.89	859.88	841.86	-	-	-	779.89	859.88	841.86
	7,132.48	**7,231.58**	**5,406.17**	**-**	**(610.40)**	**(1,032.89)**	**7,132.48**	**6,621.18**	**4,373.29**

C. Movement of temporary differences

Particulars	As at 1 April 2016	Movement during 2016-17	Recognised in OCI during 2016-17	As at 31 March 2017	Movement during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018
Property Plant & Equipment	(1032.89)	422.49	-	(610.40)	804.00	-	193.60
Provision for gratuity and compensated absences	18.48	2.44	-	20.91	(3.69)	-	17.22
Unabsorbed depreciation	2,304.02	729.27	-	3,033.29	(211.85)	-	2,821.44
Business loss	2,241.82	1,075.68	-	3,317.50	2.83	-	3,320.33
Provision for trade receivables and other advances	841.86	18.02	-	859.88	(79.99)	-	779.89
TOTAL	**4,373.29**	**2,247.89**	**-**	**6,621.18**	**511.30**	**-**	**7,132.48**

D. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
Expire Year	**Gross amount**	**Unrecognised tax effect**	**Gross amount**	**Unrecognised tax effect**	**Gross amount**	**Unrecognised tax effect**
Business Loss						
2021-22	3,492.34	908.01	3,492.34	1,079.13	3,492.34	1,079.13
2022-23	3,762.74	978.31	3,762.74	1,162.69	3,762.74	1,162.69
2023-24	1,790.56	465.54	1,790.56	553.28	1,790.56	553.28
2024-25	1,462.08	380.14	1,462.08	451.78	-	-
2025-26	713.98	185.63	-	-	-	-
Unabsorbed depreciation						
Never expire	13,583.71	3,531.77	11,844.45	3,659.94	9,816.46	3,033.29
	24,805.42	**6,449.41**	**22,352.18**	**6,906.82**	**18,862.11**	**5,828.39**

36. Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors collectively who have been identified as Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The principal business of the Company is sheet metal fabrication and body building. All there activities of the Company revolve around its main business. Hence there is only one reportable segment.

B. Geographical information

The Company's revenue from operations i.e. sheet metal fabrication and body building is located in India only. Hence, no additional disclosure about geographical information has been given.

C. Major customers

Revenue from customers of the Company's single segment which is more than 10 percent of the Company's total revenue are as follows:

Name of the Customer	For the year ended 31 March 2018	For the year ended 31 March 2017
Tata Motors Limited	1,258.81	4,407.02
Volvo Eicher Commercial Vehicle Limited	3,689.10	3,435.37
Man Truck India Pvt. Limited	1,325.39	1,175.81
Total	**6,273.30**	**9,018.20**

37. Operating lease - As a lessee

The Company has entered into operating leases agreement for factory land for 30 years, which can be further renewed for an additional term of 10 years. Escalations in lease rentals will be by around one quarter of the rent after every 10 years. The lease rental expense recognised in the Statement of Profit and Loss for the year in respect of cancellable & non-cancellable leases is INR 7.21 lakhs (31 March 2017: INR 9.26 lakhs). The future minimum lease expense in respect of non-cancellable leases is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payable within one year	5.40	5.06	5.06
Payable between one and five years	21.60	20.23	20.23
Payable later than five years	75.60	80.92	85.98
	102.60	**106.21**	**111.27**

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

38. Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax matters	610.58	620.25	21.62
Excise duty related to Rule10A matter*	-	-	-
Other Excise duty and Service tax matters {INR 0.53 Lakhs (Previous Year INR 9.13 Lakhs) paid under protest}	2,074.95	2,576.70	2,576.59
Sales tax and Entry tax matters {INR 78.66 Lakhs (Previous Year INR 71.10 Lakhs) paid under protest}	1,893.23	1,822.21	1,822.55
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	47.95	65.43	65.43
Total	**4,626.71**	**5,084.59**	**4,486.19**

1. The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.
2. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities."

   *Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has started paying differential Excise Duty on behalf of customer on sales made to them since September'2010 under protest. The Excise department has issued demand notices in respect of this matter aggregating INR 2,819.55 Lakhs (31 March 2017 : INR 2,967.51 Lakhs, 1 April 2016 : INR 2,967.51 Lakhs). The aggregate of total payment made under protest up to the year-end is INR 2692.11 Lakhs (31 March 2017 : INR 2,646.47 Lakhs, 1 April 2016 : INR 1,713.48 Lakhs). Since, the liability, if any in this regard is recoverable from the customer, there will be no impact on Statement of Profit and Loss as consequence of the outcome of this case.

B. Commitments

a. Capital commitments : Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 38.95 lakhs (31 March 2017: INR 39.48 lakhs, 1 April 2016: INR 116.10 lakhs).

b. Other commitments : The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

c. Lease Commitments : Refer note 37 in respect of commitment with regard to leases.

39. Loss per share

Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the loss during the year attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/ (loss) after tax attributable to equity shareholders	(INR in lakhs)	(3,691.27)	(3,560.28)
Weighted average number of equity shares outstanding during the year	(in number)	54,942,964	54,942,964
Nominal value per share	INR	10.00	10.00
Basic and diluted loss per share	INR	(6.72)	(6.48)

40. Employee benefits

During the year, the Company has recognized following amounts in the statement of profit and loss :

A. Defined Contribution plans

The Company has recognised the following amounts in the statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Employer's contribution to provident fund	19.78	22.95
Employer's contribution to employee's state insurance	3.70	3.82

B. Defined benefit plans

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Company employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

The following table set out the status of the defined benefit obligation

	31 March 2018	31 March 2017	1 April 2016
Net defined benefit liability- Gratuity	43.72	43.13	30.73
Total employee benefit liabilities			
Non current	33.72	33.13	20.73
Current	10.00	10.00	10.00

For details about the related employee benefit expenses, refer note 38.

(i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	87.52	87.83
Benefits paid	(11.86)	(16.50)
Current service cost	9.63	10.87
Interest cost	6.20	6.78
Actuarial (gain) loss recognised in other comprehensive income		
- changes in financial assumptions	(3.84)	5.79
- experience adjustments	(2.61)	(7.25)
Balance at the end of the year	**85.04**	**87.52**

(i) Reconciliation of the present value of plan assets

The following table shows a reconciliation from the opening balances to the closing balances for the plan assts

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	44.40	57.10
Contributions paid into the plan	6.50	0.70
Benefits paid	(11.86)	(16.50)
Interest income	3.42	4.73
Actual return on plan assets recognised in other comprehensive income	(1.13)	(1.63)
Balance at the end of the year	**41.33**	**44.40**

ii) Expense recognized in profit or loss

Particulars	31 March 2018	31 March 2017
Current service cost	9.63	10.87
Interest cost	6.20	6.78
Interest income	(3.42)	(4.73)
	12.41	**12.92**

iii) Remeasurements recognized in other comprehensive income

Particulars	31 March 2018	31 March 2017
Actuarial (gain) loss on defined benefit obligation	(6.45)	(1.46)
Return on plan assets excluding interest income	1.13	1.63
	(5.32)	**0.17**

iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2018	31 March 2017	1 April 2016
Financial assumptions (p.a.)			
Discount rate	7.75%	7.30%	7.95%
Future salary growth	7.00%	7.00%	7.00%
Expected return on Assets	7.50%	7.50%	7.50%
Demographic assumptions			
Retirement age	60 years	60 years	60 years

As at 31 March 2018, the weighted average duration of the defined benefit obligation was 9.70 years (31 March 2017 : 10.71 years)

v) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(2.04)	2.20	(2.22)	2.41
Future salary growth (0.50%)	2.21	(2.07)	2.40	(2.23)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

vi) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Year 1	5.92	5.21	5.08
Year 2	4.11	3.07	2.86
Year 3	7.22	4.22	3.38
Year 4	5.86	7.21	5.69
Year 5	7.99	5.11	10.87
Next 5 years	186.90	203.96	231.02

The Company expects to contribute INR 10 lakhs (Previous year : INR 10 lakhs) towards gratuity fund scheme in the next financial year.

C. Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature & vary over time. As such company is exposed to various risk as follows :

a) Interest Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of reporting period on government bonds.

b) Longitivity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

c) Salary Risk

The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, increase in the salary of plan participants will increase the plan's liability.

The company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type not available to disclose.

41. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

Key managerial personnel

S. No.	Name	Designation
1	Mr. Kailash Gupta (Director upto 27 Setember, 2017)	Non-Executive Promoter Director
2	Mr. Prabhakar Dalal (Upto 01 September, 2017)	Non-Executive Independent Director
3	Mr. Abhishek Jaiswal	Executive Director (w.e.f. 14 September, 2017) & C.E.O. (w.e.f. 13 February, 2017)
4	Mr. Amit Jain (From 17 February, 2017)	Chief Financial Officer and Company Secretary
5	Mr. Prakash Y. Gurav	Non Executive Independent Director
6	Mr. M.V. Rajarao	Non Executive Independent Director
7	Ms. Vineeta Shriwani (From 26 March, 2018)	Non Executive Independent Director

Enterprise over which key management personnel or their relatives are able to exercise significant influence

S. No.	Name
1.	Commercial Automobiles Private Limited
2.	Shivam Motors Private Limited
3.	Anubha Engineering Limited
4.	Kailash Infra tech Private Limited
5.	Shubham Multi Services Private Limited
6.	J.N. Auto Limited (Unit Rekha Engineering)
7.	Kailash Motors Finance Private Limited
8.	Narmada Autocare Services Private Limited
9.	Commercial Automobiles Jabalpur Private Limited
10.	Kailash Moser Industries Private Limited
11.	Kailash Rolfo India Private Limited
12.	Kailash Motors Private Limited
13.	Commercial Motors Sales Private Limited
14.	Kailash Motors

B. Transactions with related parties:

Enterprise over which key management personnel or their relatives are able to exercise significant influence

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of Raw Materials		
Commercial Automobiles Private Limited	-	0.29
Miscellaneous Income		
J.N. Auto Limited (Unit Rekha Engineering)	-	2.09
Sale of Raw Material		
Commercial Automobiles Private Limited	-	3.09
Sale of finished goods		
Commercial Automobiles Private Limited	1025.85	350.53
Reimbursement of expenses		
Commercial Automobiles Private Limited	0.41	0.79
Commercial Motors Sales Private Limited	0.35	-
Kailash Motors	1.08	1.70
Payment against reimbursement of expenses received		
Commercial Motors Sales Private Limited	1.02	0.61
Commercial Automobiles Private Limited	0.41	1.95
Kailash Motors	0.67	0.55
Advance given against purchases		
Commercial Automobiles Private Limited	-	5.50
Advance received back		
Commercial Automobiles Private Limited	-	5.50

Transactions with key management personnel

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund :		
Mr. Deepak Tiwari (Upto 31 July 2016)	-	16.67
Mr. Abhishek Jaiswal (From 13 February 2017)	30.11	3.58
Mr. Amit Jain (From 17 February 2017)	21.45	4.17
Loan taken		
Mr. Kailash Gupta	-	54.00
Reimbursement of expenses		
Mr. Kailash Gupta	0.13	3.45
Payment against reimbursement of expenses received		
Mr. Kailash Gupta	0.13	1.99
Total compensation paid to key management personnel	**51.82**	**83.86**

* Key management personnel are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability liability for Key management personnel cannot be ascertained separately, except for the amount actually paid.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

Transactions with key management personnel other than above

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Director sitting fees		
Mr. Kailash Gupta	0.40	1.15
Mr. Prakash Y. Gurav	1.75	2.15
Mr. M.V. Rajarao	1.75	1.60
Mr. Prabhakar Dalal	0.70	1.95
Total compensation paid to key management personnel	**4.60**	**6.85**

Balances with related parties

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivable			
Enterprise over which key management personnel or their relatives are able to exercise significant influence			
J.N. Auto Limited (Unit Rekha Engineering)	7.75	13.43	11.35
Commercial Motors Sales Private Limited	-	0.68	1.29
Total	**7.75**	**14.11**	**12.64**
Trade payables			
Enterprise over which key management personnel or their relatives are able to exercise significant influence			
Shivam Motors Private Limited	46.75	46.75	46.75
Commercial Automobiles Private Limited	61.75	144.49	140.18
Kailash Motors	-	0.41	1.57
Total	**108.50**	**191.65**	**188.50**
Other current financial liabilities			
Key Managerial Personnel			
Mr. Kailash Gupta	6.59	6.59	6.91
Mr. Abhishek Jaiswal	1.32	-	-
Mr. Deepak Tiwari	-	11.03	10.69
Total	**7.91**	**17.62**	**17.6**
Current financial liabilities - Borrowings			
Key Managerial Personnel			
Mr. Kailash Gupta	262.55	262.55	208.55
Total	**262.55**	**262.55**	**208.55**
Non Current financial liabilities - Borrowings			
Key Managerial Personnel			
Mr. Kailash Gupta	570.84	506.92	449.55
Total	**570.84**	**506.92**	**449.55**
Investment			
Enterprise over which key management personnel or their relatives are able to exercise significant influence			
Kailash Motors Private Limited	0.10	0.10	0.10
Total	**0.10**	**0.10**	**0.10**
Unpaid Calls on Non- Convertible Cumulative Redeemable Preference shares			
Key Managerial Personnel			
Mr. Kailash Gupta	700	700	700
Total	**700**	**700**	**700**

Notes:

I. Terms and conditions of transactions with the related parties

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

42. Details of dues to micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act (MSMED), 2006:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period			
- Principal	78.12	27.77	19.97
- Interest	33.26	23.79	19.48
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	9.47	4.31	2.21
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period.	33.26	23.79	19.48
(f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-	-

43. Disclosure on Specified Bank Notes (SBN)

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs.

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic dated 8 November, 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2013. Disclosure made in the previous year ended 31 March 2017 financial statements is as below:

Particulars	Specified Bank Notes*	Other denomination Notes	Total
Closing cash in hand as on 8 November 2016#	2.68	0.10	2.78
(+) Permitted receipts-	-	7.18	7.18
(+) Withdrawals from the bank	-	-	-
(-) Permitted payments	-	6.96	6.96
(-) Amount deposited in Banks	2.68	-	2.68
Closing cash in hand as on 30 December 2016	**-**	**0.32**	**0.32**

*For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.".

It includes cash in hand held under imprest

44. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 1 April 2016

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	**0.10**	-	-	0.10
(ii) Loans*	-	-	99.25	**99.25**	-	-	99.25
Current							
(i) Investments*	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	1,233.63	**1,233.63**	-	-	1,233.63
(iii) Cash and cash equivalents*	-	-	5.23	**5.23**	-	-	5.23
(iv) Bank balances other than (iii) above*	-	-	247.13	**247.13**	-	-	247.13
(v) Loans*	-	-	239.11	**239.11**	-	-	239.11
(vi) Other financial assets*	-	-	13.56	**13.56**	-	-	13.56
Total	**0.10**	**-**	**1,837.91**	**1,838.01**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	6,385.89	**6,385.89**	-	-	6,385.89
(ii) Trade payables*	-	-	-	**-**	-	-	-
(iii) Other financial liabilities*	-	-	5.00	**5.00**	-	-	5.00
Current							
(i) Borrowings#	-	-	3,952.89	**3,952.89**	-	-	3,952.89
(ii) Trade payables*	-	-	3,377.78	**3,377.78**	-	-	3,377.78
(iii) Other financial liabilities*	-	-	5,216.83	**5,216.83**	-	-	5,216.83
Total	**-**	**-**	**18,938.39**	**18,938.39**			

ii. As on 31 March 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	**0.10**	-	-	0.10
(ii) Loans*	-	-	93.31	**93.31**	-	-	93.31
(iii) Other financial assets*	-	-	-	**-**	-	-	-
Current							
(i) Investments*	-	-	1,569.89	**1,569.89**	-	-	1,569.89
(ii) Trade receivables*	-	-	42.77	**42.77**	-	-	42.77
(iii) Cash and cash equivalents*	-	-	124.97	**124.97**	-	-	124.97
(iv) Bank balances other than (iii) above*	-	-	198.97	**198.97**	-	-	198.97
(v) Loans*	-	-	6.67	**6.67**	-	-	6.67
(vi) Other financial assets*	-	-	-	**-**	-	-	-
Total	**0.10**	**-**	**2,036.57**	**2,036.67**			
Financial liabilities							
Non-current						-	
(i) Borrowings#	-	-	4,333.97	**4,333.97**	-	-	4,333.97
(ii) Trade payables*	-	-	-	**-**	-	-	-
(iii) Other financial liabilities*	-	-	5.00	**5.00**	-	-	5.00
Current							
(i) Borrowings#	-	-	3,970.63	**3,970.63**	-	-	3,970.63
(ii) Trade payables*	-	-	3,549.55	**3,549.55**	-	-	3,549.55
(iii) Other financial liabilities*	-	-	9,437.05	**9,437.05**	-	-	9,437.05
Total	**-**	**-**	**21,296.20**	**21,296.20**			

iii. As on 31 March 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	**0.10**	-	-	0.10
(ii) Loans	-	-	44.00	**44.00**	-	-	44.00
(iii) Other financial assets	-	-	-	**-**	-	-	-
Current							
(ii) Trade receivables*	-	-	685.04	**685.04**	-	-	685.04
(iii) Cash and cash equivalents*	-	-	333.84	**333.84**	-	-	333.84
(iv) Bank balances other than (iii) above*	-	-	107.34	**107.34**	-	-	107.34
(v) Loans*	-	-	195.56	**195.56**	-	-	195.56
(vi) Other financial assets*	-	-	222.87	**222.87**	-	-	222.87
Total	**0.10**	**-**	**1,588.65**	**1,588.75**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	570.84	**570.84**	-	-	570.84
(iii) Other financial liabilities	-	-	5.00	**5.00**	-	-	5.00
Current							
(i) Borrowings#	-	-	4,520.64	**4,520.64**	-	-	4,520.64
(ii) Trade payables*	-	-	2,559.26	**2,559.26**	-	-	2,559.26
(iii) Other financial liabilities*	-	-	15,617.32	**15,617.32**	-	-	15,617.32
Total	**-**	**-**	**23,273.06**	**23,273.06**			

The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2017 and 31 March 2016.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk - Foreign exchange
- Market risk - Interest rate

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments	0.10	0.10	0.10
Trade receivables	685.04	1,569.89	1,233.63
Cash and cash equivalents	333.84	42.77	5.23
Balances other than cash and cash equivalents	107.34	124.97	247.13
Loans	239.56	292.29	338.36
Other financial assets	222.87	6.67	13.56

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount		
Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
1-90 days past due *	630.72	1,355.41	2,011.00
91 to 180 days past due	42.36	27.29	45.77
More than 180 days past due #	1,713.68	1,833.01	804.31
	2,386.76	**3,215.71**	**2,861.08**

* The Company believes that the amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance at the beginning of the year	1,645.82	1,627.45
Impairment loss recognised / (reversed)	81.89	18.37
Amount written off out of above	(25.99)	-
Balance at the end of the year	**1,701.72**	**1,645.82**

b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. Currently the company is facing liquidity crises due to huge interest cost.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 1 April 2016	Carrying amount	Contractual cash flows			
		Less than 1 Year	Between 1 to 5 Years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	6,385.89	-	6174.40	449.55	6,623.95
Other financial liabilities	5.00	-	-	5.00	5.00
Current liabilities					
Borrowings	3,952.89	3,952.89	-	-	3,952.89
Trade payables	3,377.78	3,377.78	-	-	3,377.78
Other financial liabilities	5,216.83	5,216.83	-	-	5,216.83
Total	**18,938.39**	**12,547.50**	**6,174.40**	**454.55**	**19,176.45**

As at 31 March 2017	Carrying amount	Contractual cash flows			
		Less than 1 Year	Between 1 to 5 Years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	4,333.97	-	3,964.29	506.92	4,471.21
Other financial liabilities	5.00	-	-	5.00	5.00
Current liabilities					
Borrowings	3,970.63	3,970.63	-	-	3,970.63
Trade payables	3,549.55	3,549.55	-	-	3,549.55
Other financial liabilities	9,437.05	9,437.05	-	-	9,437.05
Total	**21,296.20**	**16,957.23**	**3,964.29**	**511.92**	**21,433.44**

As at 31 March 2018	Carrying amount	Contractual cash flows			
		Less than 1 Year	Between 1 to 5 Years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	570.84	-	-	570.84	570.84
Other financial liabilities	5.00	-	-	5.00	5.00
		-			
Current liabilities		-			
Borrowings	4,520.64	4,520.64	-	-	4,520.64
Trade payables	2,559.26	2,559.26	-	-	2,559.26
Other financial liabilities	15,617.32	15,617.32	-	-	15,617.32
Total	**23,273.06**	**22,697.22**	**-**	**575.84**	**23,273.06**

* Pertains to debt component of compound financial instrument. The contractual cash flows are based on management's intent since the preference shares are redeemable only as fully paid up.

Carrying amount presented as net off unamortized transaction cost.

b. Financial risk management (continued)

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2018, 31 March 2017 and 1 April 2016 are as below:

Particulars	As at 31 March 2018 INR	As at 31 March 2017 INR	As at 1 April 2016 INR
Financial liabilities			
Borrowings	3,122.12	3,113.23	397.71
	3,122.12	**3,113.23**	**397.71**

Sensitivity analysis

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Particulars	Effect on Profit before tax	
	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:	+1%	-1%
For the year ended 31 March 2018		
USD	31.13	(31.13)
	31.13	**(31.13)**
For the year ended 31 March 2017		
USD	31.22	(31.22)
	31.22	**(31.22)**

USD: United States Dollar

b. Financial risk management (continued)

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks/Non banking financial companies (NBFC) carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans from banks and NBFC (Non current)	-	3,827.05	5,936.34
Term loans from banks and NBFC (Current)	4,058.09	3,460.08	3,473.83
Current maturities of borrowings	11,981.72	7,964.66	4,624.31
Total	**16,039.81**	**15,251.79**	**14,034.48**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2018	160.40	(160.40)
For the year ended 31 March 2017	152.52	(152.52)

45. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowings	17,073.20	16,269.27	14,963.10
Less : Cash and cash equivalent	(333.84)	(42.77)	(5.23)
Adjusted net debt (A)	16,739.35	16,226.50	14,957.88
Total equity (B)	(6,717.72)	(3,031.77)	528.69
Adjusted net debt to adjusted equity ratio (A/B)	**-**	**-**	**2829.25%**

46. Explanation of transition to Ind AS

As mentioned in note 2.1 (i), these financial statements for the year ended 31 March 2018, are the first financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ended on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind-AS.This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective for the financial year ended 31 March 2018. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2016 compared with those presented in the previous GAAP Balance Sheet as of 31 March 2016, were recognised in equity within the Ind AS Balance Sheet.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Transition elections

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at 1 April, 2016, the carrying amounts of assets and liabilities from the previous GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on 31 March 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

a) Ind AS optional exemptions:

(i) Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment, intangible assets and capital work in progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

(ii) Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Company has elected to apply this exemption for such contracts/arrangements.

b) Ind AS mandatory exceptions:

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:a) Determination of the discounted value for financial instruments carried at amortised costb) Impairment of financial assets based on expected credit loss model.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable

B. Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

(i) Reconciliation of equity as at 1 April 2016:

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a	15,844.51	(311.22)	15,533.29
Capital work-in progress		200.39	-	200.39
Intangible assets		7.48	-	7.48
Financial assets				
(i) Investments		0.10	-	0.10
(ii) Loans		99.25	-	99.25
Deferred tax assets (net)		-	-	-
Other non-current assets	a	1,875.13	(60.70)	1,814.43
Total non-current assets		**18,026.86**	**(371.92)**	**17,654.94**
Current assets				
Inventories		979.55	-	979.55
Financial assets				
(i) Trade receivables		1,233.63	-	1,233.63
(ii) Cash and cash equivalents		5.23	-	5.23
(iii) Bank balances other than (ii) above		247.13	-	247.13
(iv) Loans		239.11	-	239.11
(v) Other financial assets		13.56	-	13.56
Other current assets	a	2,806.08	(51.18)	2,754.90
Total current assets		**5,524.29**	**(51.18)**	**5,473.11**
Total assets		**23,551.15**	**(423.10)**	**23,128.05**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		6,794.30	(1,300.00)	5,494.30
Other equity		(5,607.89)	642.28	(4,965.61)
Total equity		**1,186.41**	**(657.72)**	**528.69**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	a,b	6,174.40	211.49	6,385.89
(ii) Other financial liabilities		5.00	-	5.00
Provisions		20.73	-	20.73
Other non-current liabilities		2,419.44	-	2,419.44
Total non- current liabilities		**8,619.57**	**211.49**	**8,831.06**
Current liabilities				
Financial Liabilities				
(i) Borrowings		3,952.89	-	3,952.89
(ii) Trade payables		3,377.78	-	3,377.78
(iii) Other financial liabilities	e	5,193.70	23.13	5,216.83
Other current liabilities		922.58	-	922.58
Provisions		39.06	-	39.06
Current tax liabilities (net)		259.16	-	259.16
Total current liabilities		**13,745.17**	**23.13**	**13,768.30**
Total equity and liabilities		**23,551.15**	**(423.10)**	**23,128.05**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

(ii) Reconciliation of equity as at 31 March 2017:

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a	14,769.04	(300.60)	14,468.44
Capital work-in progress		198.69	-	198.69
Intangible assets		-	-	-
Financial assets				-
(i) Investment		0.10	-	0.10
(ii) Loans		93.31		93.31
Deferred tax assets (net)		-	-	-
Other non-current assets	a	2,740.66	(12.71)	2,727.95
Total non-current assets		**17,801.80**	**(313.31)**	**17,488.49**
Current assets				
Inventories		697.26	-	697.26
Financial assets				
(i) Trade receivables		1,569.89	-	1,569.89
(ii) Cash and cash equivalents		42.77	-	42.77
(iii) Bank balances other than (iii) above		124.97		124.97
(iv) Loans		198.97	-	198.97
(v) Other financial assets		6.67	-	6.67
Other current assets	a	2,451.84	(67.84)	2,384.00
Total current assets		**5,092.35**	**(67.84)**	**5,024.53**
Total assets		**22,894.15**	**(381.15)**	**22,513.02**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		6,794.30	(1,300.00)	5,494.30
Other equity		(8,913.01)	386.93	(8,526.07)
Total equity		**(2,118.71)**	**(913.07)**	**(3,031.77)**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	a,b	3,964.29	369.68	4,333.97
(ii) Other financial liabilities		5.00	-	5.00
Provisions		33.13	-	33.13
Other non-current liabilities		3,290.38	-	3,290.38
Total non- current liabilities		**7,292.80**	**369.68**	**7,662.48**
Current liabilities				
Financial Liabilities				
(i) Borrowings		3,970.63	-	3,970.63
(ii) Trade payables		3,549.55	-	3,549.55
(iii) Other financial liabilities	e	9,274.82	162.23	9,437.05
Other current liabilities		641.37	-	641.37
Provisions		34.55	-	34.55
Current tax liabilities (net)		249.16	-	249.16
Total current liabilities		**17,720.07**	**162.23**	**17,882.31**
Total equity and liabilities		**22,894.15**	**(381.16)**	**22,513.02**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

(iii) Reconciliation of total comprehensive income for the year ended 31 March 2017:

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	f	15,115.52	(63.73)	15,051.79
Other income		44.38	-	44.38
Total Income		**15,159.90**	**(63.73)**	**15,096.17**
Expenses				
Cost of material consumed		8,280.10	-	8,280.10
Changes in inventories of finished goods, work-in-progress and traded goods		183.44	-	183.44
Excise duty		4,518.09	-	4,518.09
Employee benefits expense	c	584.22	(0.18)	584.04
Finance costs	a,b,e	2,464.36	265.98	2,730.34
Depreciation and amortisation expense	a	1,046.44	(10.63)	1,035.80
Other expenses	f	1,388.37	(63.73)	1,324.64
Total expenses		**18,465.02**	**191.44**	**18,656.45**
Loss before tax		**(3,305.12)**	**(255.17)**	**(3,560.28)**
Tax expense				
Current tax expense		-	-	-
Deferred tax (credit)/ charge		-	-	-
Loss for the year		**(3,305.12)**	**(255.17)**	**(3,560.28)**
Other comprehensive income				
Items that will not be reclassified the statement of profit and loss				
Re-measurement loss/ (gain) of defined benefit obligation		-	(0.18)	(0.18)
Income tax relating to relating items that will not be reclassified to profit or loss		-	-	-
Total other comprehensive income/ (expense) for the year, net of taxes		**-**	**(0.18)**	**(0.18)**
Total comprehensive income for the year		**(3,305.12)**	**(255.34)**	**(3,560.46)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

(iv) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
Total equity (shareholder's funds) as per previous GAAP		**(2,118.71)**	**1,186.41**
Adjustments:			
Measurement of financial liability at amortised cost	a,b	(360.85)	(233.93)
Debt component of compound financial instrument classified as borrowings	b	(400.66)	(400.66)
Prior period (Penalty for delay interest)	e	(162.18)	(23.13)
Depreciation Impact	a	10.63	-
Total adjustments		**(913.06)**	**(657.72)**
Total equity as per Ind AS		**(3,031.77)**	**528.69**

(v) Reconciliation of total comprehensive income/ (expense) for the year ended 31 March 2017

Particulars	Notes	For the year ended 31 March 2017
Loss after tax as per previous GAAP		**-**
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	c,d	(0.18)
Others		-
Total adjustments		**(0.18)**
Profit after tax as per Ind AS		**(0.18)**
Other comprehensive income		**-**
Total comprehensive income as per Ind AS		**(0.18)**

(vi) Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

C. Notes to the reconciliations:

a. Borrowings and Property, plant and equipment - transaction cost adjustment

As per the requirement of Ind AS, loan processing fee should be amortised over the period of repayment of loan as per Effective Interest Rate (EIR) method. In previous GAAP (IGAAP), processing fee were capitalised (depreciated over the life of specific fixed assets) / charged to Profit & Loss on straight line basis. The same has been reversed and now amortised over the period of loan according to Effective Interest Rate (EIR) method.

The impact of the transition is detailed below:

Balance Sheet	As at 31 March 2017	As at 1 April 2016
Property, plant and equipment	(300.60)	(311.22)
Borrowings - Non Current	(137.23)	(238.05)
Other non current assets	(12.71)	(60.70)
Other current assets	(67.84)	(51.18)

Statement of profit and loss	Year ended 31 March 2017
Depreciation	(10.63)
Finance cost	69.57

The same has resulted in decrease in retained earnings by INR 185.05 lakhs as at 1 April 2016 and loss for the FY 2016-17 has increased by INR 69.57 lakhs.

b. Measurement of financial liability at amortised cost

The Company has issued 2,000,000, 0.0001% Non Convertible, Cumulative, Redeemable Preference Shares of INR 100 per share. As per the requirements of Ind-AS 109, initial measurement of such preference shares needs to be done at fair value. The difference between transaction price and fair value needs to be accounted for as borrowings in the financial statements of the Company. The same has been adopted under Ind AS as on transition date. Accordingly the Preference share capital has been divided into two components viz. Debt and Equity as at transition date.
The impact of the transition is detailed below:

Balance Sheet	As at 31 March 2017	As at 1 April 2016
Borrowings - Non Current	506.92	449.55
Statement of profit and loss		**Year ended 31 March 2017**
Finance cost		57.37

The same has resulted in decrease in retained earnings by INR 48.90 lakhs as at 1 April 2016 and loss for the FY 2016-17 has increased by INR 57.37 lakhs.

c. Employee benefits: Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result. loss for the year ended 31 March 2017 is decreased by INR 0.18 lakhs and is reclassified to other comprehensive income. There is no impact on the total equity as at 31 March 2017.

d. Other comprehensive income

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of profit or loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from the statement of profit and loss to other comprehensive income.

e. Prior period Errors (Penalty for delay interest)

Under previous GAAP, the Company has not recognised the penal interest for non payment of interest and principal on loans. The same has been recognised in the opening and previous year comparative balance sheet of the Company prepared under Ind AS. Penal interest amounting to INR 23.13 lakhs has been provided for in the opening balance sheet and INR 139.05 lakhs has been provided for in the FY 2016-17.
The impact of the transition is detailed below:

Balance Sheet	As at 31 March 2017	As at 1 April 2016
Other financial liabilities	162.23	23.13
Statement of profit and loss		**Year ended 31 March 2017**
Finance cost		139.05

The same has resulted in decrease in retained earnings by INR 23.13 lakhs as at 1 April 2016 and loss for the FY 2016-17 has increased by INR 139.05 lakhs.

f. Classification of Revenue net of committed costs

Under previous GAAP, the Company has recognised the gross amount of revenue and has recognised Late Delivery charges under Other Expenses. The same has been netted off from Revenue in the comparative previous year Statement of Profit and Loss. Accordingly the revenue for the FY 2016-17 has reduced by INR 63.73 lakhs with corresponding decrease in other expenses. There is no impact on loss due to above adjustment.

47. "Other Current Financial Assets" include Inter corporate deposits (ICD) of INR 1,000.00 Lakhs given to two Companies in an earlier year and which are outstanding as on 31st March 2017. These amounts have been fully provided for, as doubtful of recovery, in an earlier year. The Company has, during the earlier year filed a legal suit for recovery of the same (along with accumulated interest thereon). This case is lying before the Second Additional District Judge, Jabalpur.

Notes to the financial statements for the year ended 31 March 2018

(All amounts are in INR lakhs, unless otherwise stated)

48. The Company during the earlier year has availed the benefit of refund of sales tax (VAT) under MP Industrial Investment Promotion Assistance Policy under, a scheme by MP Trade and Investment Facilitation Corp Limited. The refund is receivable from the department and is pending for clearance.

49. Over the past few years, the Company has been incurring cash losses affecting its ability to service the borrowings / creditors/ other liabilities and similar obligations. Consequently, the Joint Lenders Forum invoked Strategic Debt Restructuring ("SDR") on 11 January 2017, in compliance of the guidelines issued by the Reserve Bank of India ("RBI"). On 12 October 2017, the lead bank communicated that SDR could not be completed within the timeframe prescribed by RBI and loan given by the lenders to the Company has been classified Non-Performing Assets in the books of lenders. These conditions indicate the existence of material uncertainty about the Company's ability to continue as a going concern. The lenders are in the process of identifying revival measures, including debt restructuring and other structural changes. The Company continues to receive orders from customers which are being serviced on the basis of support from its key customers. The management is confident about positive outcome of the restructuring and continued support of its customers resulting in revival of the operations of the Company. Accordingly, the financial statements have been prepared by the Company on a going concern basis.

See accompanying notes to the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 25 May 2018

***For* and on behalf of the Board of Directors of**
Commercial Engineers and Body Builders Co Limited.

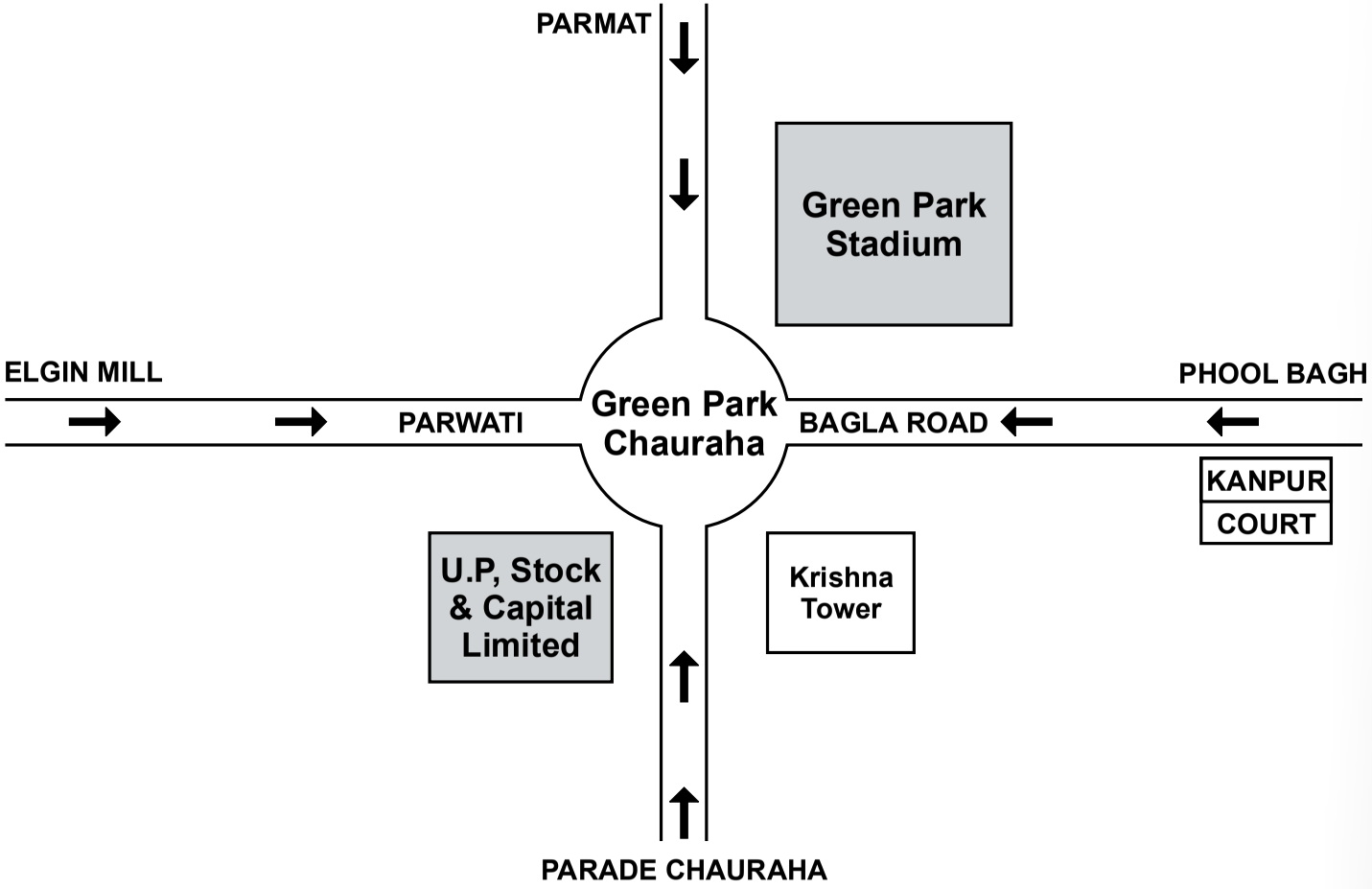
P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & C.E.O.
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
Membership No. 39779

Place : Pune
Date : 25 May 2018

ROUTE MAP FOR THE VENUE OF THE AGM



Commercial Engineers & Body Builders Co. Ltd.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L24231UP1979PLC004837

Name of the company : Commercial Engineers & Body Builders Co Ltd

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

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

Registered address : .....

E-mail Id : .....

Folio No/ Client Id : .....

DP ID : .....

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

1. Name : .....
   Address : .....
   E-mail Id : .....
   Signature : .....

or failing him

2. Name : .....
   Address : .....
   E-mail Id : .....
   Signature : .....

or failing him

3. Name : .....
   Address : .....
   E-mail Id : .....
   Signature : .....

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Eighth Annual General Meeting of the company, to be held on Friday, 28th Day of September 2018 at 03.00P.M. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208003, (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
Ordinary Business			
1.	TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.		
2.	TO RATIFY THE APPOINTMENT OF AUDITORS AND TO FIX THEIR REMUNERATION AND IN THIS REGARD TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:-		
Special Business			
3.	TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:		
4.	TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:		
5.	TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:		

Singed this ……. Day of ……. 2018 Affix Rs. 1/- Stamp

Signature of Shareholders

Signature of Proxy holder(s)

REVENUE STAMP

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

Commercial Engineers & Body Builders Co Ltd

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

ATTENDANCE SLIP

Joint shareholders may obtain additional Attendence 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 EIGHTH ANNUAL GENERAL MEETING** of the company on Friday, 28th Day of September 2018 at 3:00 P. M. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208003, (U.P.)

Signature of the shareholder or proxy.....

*Applicable for investors holding shares in electronic form.

Thank You



COMMERCIAL ENGINEERS & BODY BUILDERS CO. LTD.
Corporate Office : 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur - 482001, Madhya Pradesh, INDIA.
Registered Office : 84/105-A, G.T. Road, Kanpur Mahanagar, Kanpur, Uttar Pradesh
Tel. : (Corporate Off.) +91 761 611336, (Regd. Off.) +91 512 2520291