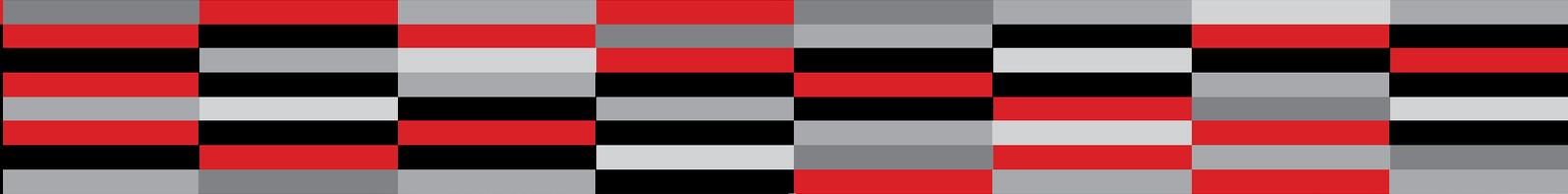


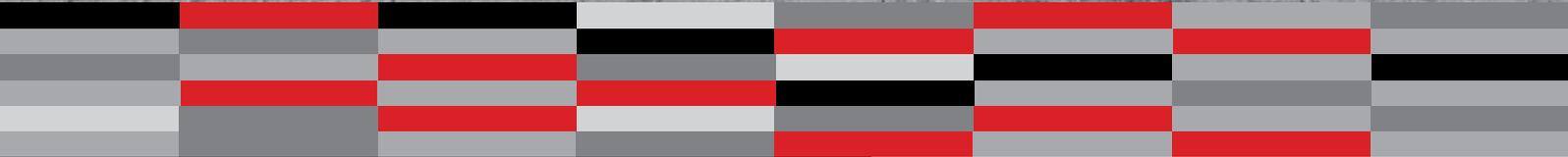


COMMERCIAL ENGINEERS
& BODY BUILDERS
CO LIMITED

BUILT TO GROW

ROAD. RAIL. POWER.





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BUILT TO GROW

WE ARE A FAST GROWING COMPANY. OUR GROWTH IS DERIVED FROM THE OPPORTUNITY WE REPRESENT. AND ACROSS EVERY OPPORTUNITY, WE SEE POTENTIAL TO KEEP GROWING FOR MANY, MANY, MANY YEARS.

At CEBBCO, growth is life.

We are a fast growing Company. Our growth is derived from the opportunity we represent. And across every opportunity, we see the potential to keep growing for many, many, many years.

Let's take the Fully Built Vehicles (FBV) opportunity first.

The entire industry is expected to grow multiple times in the next five years! We are the largest player in the FBV industry. In 2011-12, our volumes and revenue grew by 100% and we operated close to full capacity utilization.

The FBV industry is built to grow.

Now, take the railway wagon manufacturing opportunity.

India needs ~29,000 wagons every year (India Railway Vision 2020 document) for the next 10 years. This industry is besieged by supply constraints and shortage of modern facilities. Every year, the Indian Railways get lesser wagons than what it orders for. We are the latest entrant in the wagon manufacturing space. But that's not all. Besides wagon manufacturing, we also cater to the entire rolling stock programme of the Indian Railways and that includes components and wagon refurbishments.

The railway opportunity that we represent is built to grow.

And then is the power opportunity.

A cursory visit by L&T to our facility and their belief in our fabrication strength led to a new, but large opportunity opening up for us : Structural for the power industry. Though currently small, this opportunity is massive given the current scenario and under investment in the Indian power sector.

At CEBBCO, we are fortunate to be part of not one but three opportunities that are at an inflection point of high growth.

We have built an organization and a team that is equally passionate and motivated to take a larger share of this high growth.

We are built to grow.



**BUILT TO
GROW**



HOW OFTEN DO YOU SEE AN INDUSTRY THAT IS EXPECTED TO GROW SIX TIMES IN THE NEXT FIVE YEARS?

Welcome to the FBV industry.

Currently, of the ~ 700,000 total commercial vehicles produced in India annually, about ~100,000 are passenger coaches. We do not service them. Of the remaining 600,000 ~50% are small commercial vehicles. The remaining are large, medium and heavy commercial vehicles. This is our addressable market.

Most people have been unable to understand our industry and the

business that we are into. Typically, everyone looks at us as an auto component supplier wherein the basic assumption is that the growth at CEBBCO shall equal the growth of the CV industry. This is untrue in our case. It is correct to say that we are part of the automobile supply chain but the growth of our business (body building for commercial vehicles) is greater and faster than the growth of the commercial vehicle industry.

Our industry was historically a garage industry and the model followed in the commercial vehicle industry was that the OEMs like Tata Motors and Ashok Leyland used to sell the chassis through their dealer network to fleet owners and first time buyers. These customers used to then go to small garages and get the bodies built to suit their requirements.

In the last couple of years, OEMs like Tata Motors and Ashok Leyland have started getting bodies built by organized players like CEBBCO and selling the complete application to the final customer as a FBV. Even today, a very small percentage of the CV is sold as FBV. The incremental need by OEMs to sell FBV rather than chassis is driving the growth already demonstrated by CEBBCO. We expect and anticipate this growth will continue for several years.



Of the 300,000 L, M and HCV, only ~60,000 vehicles are converted from chassis into FBV by organized players. The rest go to unorganized garages for conversion.

The big change is the approach by the OEMs like Tata Motors, Ashok Leyland, Volvo Eicher and Force Motors among others. All OEMs are increasingly in favor of selling FBV than chassis. This trend is fast catching up in India.

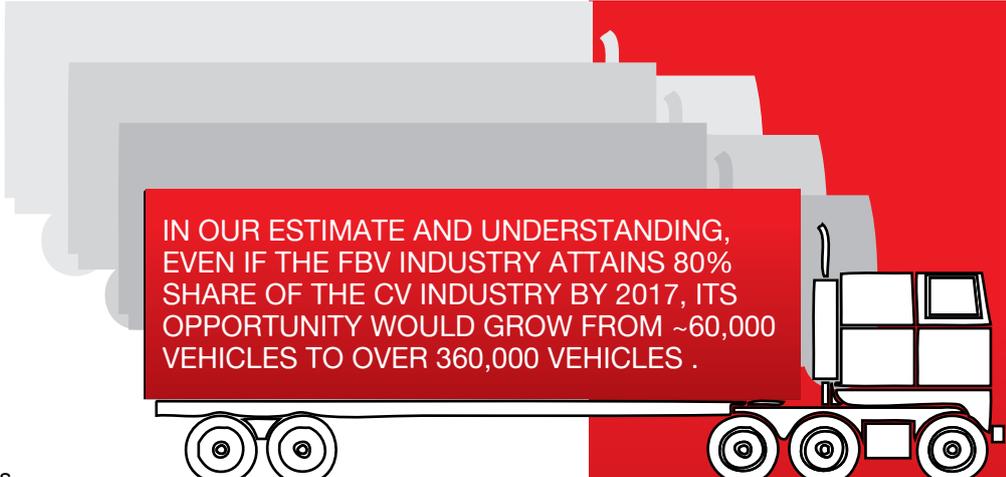
Customers benefit because they get full funding on the FBV (as opposed to only for chassis if they buy chassis) and their vehicle starts generating revenue from day one as opposed to the time-lag the garage would take for conversion as the vehicle is idle. Even the Government of India benefits as most garages are blamed for making vehicles suitable for over loading which degenerates the Government's investment in road infrastructure. The Government, in an effort to encourage FBV sales, has placed a 2% excise duty differential for buyers who buy FBV as against chassis.

The result.

In the next five years, we expect the CV industry to grow between 10-12% per annum on the lines of India's 7% plus expected GDP growth over the next five years. Our ~300,000 addressable CV market is expected to grow to ~450,000 vehicles in the next five years. The FBV industry is currently at approximately 20% of the total CV industry. Even if it attains 80% share of the CV industry by 2017, the FBV opportunity would grow from ~60,000 vehicles to over 360,000 vehicles.

That is six times growth in the next five years!

**That's the industry we represent.
FBV.Built to grow.**



IN OUR ESTIMATE AND UNDERSTANDING, EVEN IF THE FBV INDUSTRY ATTAINS 80% SHARE OF THE CV INDUSTRY BY 2017, ITS OPPORTUNITY WOULD GROW FROM ~60,000 VEHICLES TO OVER 360,000 VEHICLES .



**INDIAN RAILWAYS NEED
MORE WAGONS. WITH THE
NEW FREIGHT CORRIDOR
COMING UP, THEY NEED
EVEN MORE. WHO WILL
MANUFACTURE?**



Welcome to the Indian Railway wagon manufacturing opportunity.

India has a wagon base of ~220,000 freight wagons. Given that the average life of the wagon is 25 years, India needs to replace at least 9,000 wagons every year. Add to this the demand for new wagons with GDP growth, India needs ~29,000 wagons every year as per the Indian Railways Vision 2020 document.

Besides, the new freight corridor is coming up. And 40% of the Indian wagon units need overhaul.

The opportunity is huge.

We believe that given the nature of finances at Indian Railways, the Government is coming out with innovative schemes to give a fillip to wagon manufacturing. Schemes like wagon leasing (which is the norm globally), privatization of container traffic movement, AFTO and SFTO will help in generating substantial demand for wagons by the private sector too.

We see railways as a huge growth opportunity.

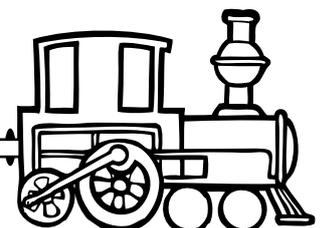
We believe that if India grows, more goods will need to be transported. It would happen either by rail (economical and current share at 33%) or road (growing and current share at 62%). CEBBCO captures the road share through the FBV opportunity. Now with the wagon manufacturing for Indian Railways, it will also capture the rail opportunity. So long as India grows, we are there to benefit from both. We are probably the only Company present in both these sectors to leverage this growth.

However, we do not see railways as just a wagon manufacturing opportunity like our peers. We have devised a comprehensive strategy to address the entire rolling stock programme. We are amongst the only listed Company that is enlisted with the Indian Railways for wagon refurbishment. We are also entering railway components and passenger coaches. As the FBV opportunity matures over the next five years, we believe we will be ready with experience to grow and lead the Indian Railways opportunity.

Built to grow!



WE ARE PROBABLY THE ONLY COMPANY PRESENT IN BOTH THE RAIL AND ROAD SECTORS TO LEVERAGE THIS GROWTH.



2012-13 WILL SHOW RESULTS OF THE EXPANSION THAT WE UNDERTOOK FROM OUR IPO PROCEEDS TO BUILD THE RAILWAY WAGON MANUFACTURING; AND THE EXPANSION IN FBV CAPACITY WE UNDERTOOK IN 2011-12.



At CEBBCO, we like to prepare in advance. We like to make the most of the immediate, and the emerging opportunity. It is now established that all the sectors we represent – FBV, Railways and Power Structural – are set to grow exponentially.

Though we have a clear leadership and dominance in the FBV space, we started our preparation to enter the railways rolling stock program in 2007-08. Having validated our strategy externally, and internally, we went public in September 2010 to set up the railway wagon manufacturing unit in Deori, Jabalpur. We set out with a moderate capacity of 1200 wagons and 150 coaches at a cost of ~Rs. 130 cr.

What sets us apart from existing competition is our attention to detail. We are proud to state that we have the most modern and advanced railway wagon manufacturing unit the country has seen. Besides, we have created a capacity with robotics and automation. More so, three fourth of this capacity is fungible. This means that in the first two years when the order from the Indian Railways will be restricted to a maximum of 500 wagons due to its order norms, the same facility will be utilized to build more FBVs.

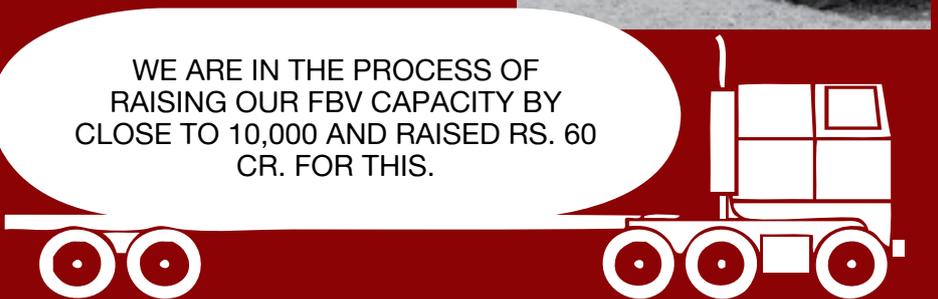
Our railway wagon manufacturing unit got its RDSO approval on 18th April, 2012. We are now eligible to bid in the next round of tenders from the Indian Railways and we will start our railway wagon manufacturing this year. We are already executing a 247 wagon order from Indian Railway subsidiary at their premises.

Given the rapid pace of growth in the FBV industry, we are in the process of raising our capacity by close to 10,000 and raised Rs. 60 cr. for the same. The capacity will come on stream in 2012-13.

It will be the first year of wagon manufacturing and will put us on the Indian Railway wagon manufacturing map. 2012-13 will also see the delivery of the power structural work. And, we will further dominate our lead in the FBV space with expanded capacity.

Time to grow, more.

WE ARE IN THE PROCESS OF RAISING OUR FBV CAPACITY BY CLOSE TO 10,000 AND RAISED RS. 60 CR. FOR THIS.



DIRECTORS' MESSAGE

**IN 2011-12, OUR
OUR REVENUES GREW
BY 117%. AND OUR
AFTER-TAX PROFITS
GREW BY 376%. YET,
WE FEEL WE ARE
JUST ABOUT GETTING
STARTED.**

Dear Shareholders,

We grew our volumes and revenues by over 100% and our profit after tax grew more than four times to Rs. 40.75 cr. This was a significant achievement.

To understand its relevance, it is important we shared with you how the previous year ended.

2010-11 was not the best of years since all OEM went through a much delayed euro emission norm change which delayed the chassis to CEBBCO for conversion. We lost four months of production in the last six months of 2010-11, which led to our volumes, revenues and after-tax profit decline. Not the best of starts given that this

was the year we went public. The capital markets punished us and our market capitalization plummeted by almost 70% and there was skepticism and disbelief, all around.

We remained confident.

We knew this was a temporary event over which we had no control, and that, it was only a matter of time before the volumes come back. We knew this because we had seen the response of customers preferring to buy FBV rather than a chassis and the trouble of going to a garage. Our volumes, as expected, came back in March 2011, but with a vehemence as all OEMs also wanted to cover lost ground.

WE WILL CONTINUE TO SURPRISE YOU, ON THE GROWTH TRAJECTORY THAT WE WILL TAKE IN THE COMING YEARS. WE WILL NOT DISAPPOINT YOU.

Since March 2011, we have not looked back. We grew every month. In 2011-12, we were close to our full capacity utilization. And the result was growth for all to see. Our revenues grew by 117%. And our after-tax profits grew by 376%.

Yet, we feel we are just about getting started. This is why.

It is now accepted that the trend of selling FBV by OEMs rather than chassis is established with a rising curve. Currently, as per our estimates only about 20% of the non-passenger CVs are sold as FBVs. We believe that this could go closer to 80% in the next five years. Taking SIAM projections for 10-12% CAGR for CVs over the next five years, this has the potential to grow our addressable market to six times in the next five years. The FBV industry of ~Rs. 1200 cr. could grow to ~Rs. 8000 cr. in the next five years. This puts us on a high growth path, with even more responsibility. Being the largest player, the onus is on CEBBCO to lead this transformation, and growth.

And we have done just that.

In 2011-12, we embarked on increasing our FBV capacity by close to 10,000 and raised Rs.60 cr. debt

for this. We expect this expansion to go on-stream by September 2012. And we are already preparing for the next leg of growth.

2011-12 was also significant from our railway foray perspective. We completed the Rs. 130 cr. expansion to set up facility for manufacturing 1200 freight wagons (two shift capacity) and 150 coaches. We also received the RDSO approval and are now ready to bid in the next Indian Railway tender for freight wagons. Given the railway tendering rules, expect an order of between 250 and 500 wagons for the next two years. We built our railway wagon plant fungible. Hence, when the railway plant is not manufacturing wagons, we can use it to make FBV. This makes our facility fungible, and unique.

We are quite upbeat about the railway opportunity. We feel that the wagon demand will rise significantly and within this space, advanced manufacturing units and forward looking players will play a significant role. We see CEBBCO as an emerging leader in the Indian Railway wagon and coach manufacturing space. In the next five years, as the FBV opportunity reaches its peak,

the railway opportunity of CEBBCO would have matured and grown to take your Company into a higher growth trajectory.

Given what is happening globally, and in India, we will admit that we are not facing any significant set-back. In fact, in our conversations both with OEMs and the Indian Railways, we see them pushing us to grow faster, and faster.

And this is encouraging.

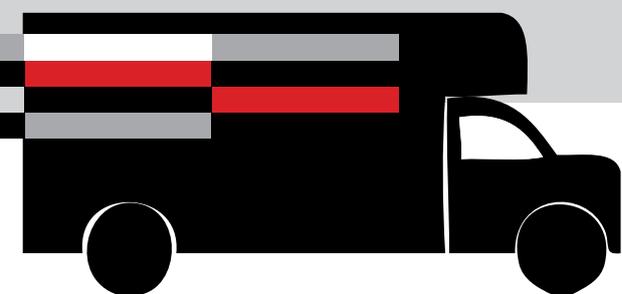
We feel that we have created the right Company with the right attitude. We faced a minor setback last year. But now we are ready. And we are hungry.

We thank every shareholder for being patient during 2010-11. I know your patience was tested, but I assure you your belief will be rewarded. We will leave no stone unturned to deliver the responsibility and trust that you have shown in CEBBCO.

Thank you once again for your support.

Sincerely,

Dr. Kailash Gupta and Ajay Gupta.





OUR VISITING CARD



PROFILE

CEBBCO was started in 1979 by Dr. Kailash Gupta. CEBBCO is the largest player in the Fully Built Vehicle (FBV) industry with a market share ~35%. The Company has been leading the conversion of chassis into FBV and currently supplies to every major OEM.

The Company produces vehicle and locomotive shells for diverse applications for road and railways transportation. It is one of the leading manufacturer in India of vehicle bodies for commercial vehicles with an extensive portfolio of product offerings.

In 2010-11, the Company entered the railway industry by catering to the entire rolling stock of the Indian railways that includes manufacturing of wagons and coaches, wagon refurbishments and components.

MANUFACTURING LOCATIONS

The Company has six manufacturing plants at strategic locations. The Company has four plants viz. Richhai I, Richhai II, Mandla and Deori in Jabalpur and a unit each in Indore and Jamshedpur. The location of the plant allows for lower labour, land and overhead costs to the Company. The largest manufacturing unit is at Deori in Jabalpur and is in the heart of India thereby making it, logistically, the best location for the manufacturing vehicle bodies (FBV).

CLIENTS

The Company has a marquee list of clients like Vehicle Factory (Defence), Indian Railways, Tata Motors, Ashok Leyland, Eicher Motors, MAN, L&T and BHEL among others.

GOVERNANCE

The Company has a very strong board of directors comprising of Mr. Sevantilal Popatlal Shah (Retired General Sales Manager, Tata Motors Limited), Mr. Akhil Awasthi (Nominee Director from Tata Capital), Mr. Praveen Kumar (Former Member - Mechanical, Railways), Mr. Ravi Gupta (Ex-Member, Central Excise Regional Advisory Committee) & Mr. Sudhir Kumar Vadehra (Managing Director, Kewaunee Labway Asia PTE Ltd. Singapore) and our Promoters - Mr. Kailash Gupta and Mr. Ajay Gupta.

The auditors for the Company are Deloitte Haskins & Sells since 2007-08.

TEAM

We have an experienced and professional team of senior management personnel, as well as a well qualified and experienced design team of mechanical engineers engaged in developing new solutions for our customers to suit their business needs.

THE CEBBCO ADVANTAGE

- ⇒ Strong demand from OEMs resulting from stated policy of all OEMs to sell FBV vs chassis
- ⇒ Industry leadership in the tippers and load bodies category for both the defence and domestic market
- ⇒ Extensive product offerings in commercial vehicles for application across diversified industries
- ⇒ Access to all the major OEMs.
- ⇒ Robotic welding for tipper bodies, enhancing productivity and cost effectiveness
- ⇒ Ability to manufacture superior quality structures, using one of the most stringent industry guidelines
- ⇒ Raw material sourcing from reputed vendors such as ESSAR, SAIL and Lloyds
- ⇒ In-house welding training centre with assistance from PUM, Netherlands
- ⇒ One of the best quality index in India for Tata Motors Limited
- ⇒ 50% FBV capacity expansion in 2011-12
- ⇒ A state-of-the-art Railway Wagon plant which has received RDSO approval for manufacturing of railway wagons.
- ⇒ Presence across all three sections of railway rolling stock – locomotives, passenger coaches and wagons
- ⇒ Strong execution in power structurals where we have already executed orders from L&T and BHEL. We have repeat orders in the pipeline.
- ⇒ 2% differential Excise duty benefit (announced in the Union Budget 2012) to customers buying FBV against chassis is providing a huge impetus in conversion of chassis sale to FBV sale
- ⇒ Subsidy benefit of ~Rs. 230 cr. from MP Investment Promotion Scheme. The subsidy is expected to be granted to CEBBCO as refund of payment of State Sales Tax to the extent of capital investment made by us over the next seven years.



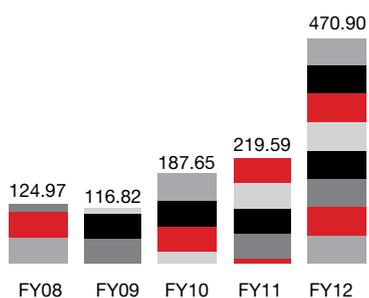
FINANCIAL HIGHLIGHTS



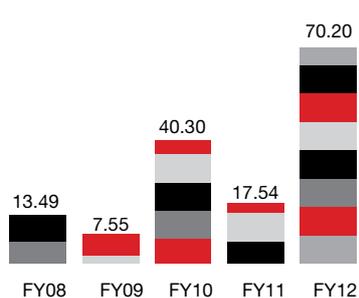
PROFIT & LOSS STATEMENT

(Rs. in cr.)

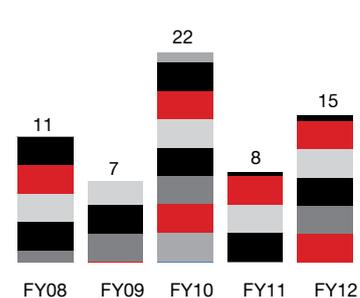
	FY08	FY09	FY10	FY11	FY12
Net Sales	119.20	112.05	182.86	212.16	463.06
Other Operational Income	3.21	2.57	3.81	4.57	5.57
Other Income	2.56	2.20	0.98	2.85	2.27
Total Revenues	124.97	116.82	187.65	219.59	470.90
Expenditure					
Manufacturing Expenses	98.22	95.63	129.79	176.38	368.01
Personnel Cost	4.47	5.54	7.39	10.52	14.95
Selling & Admin Cost	6.23	5.90	9.21	12.30	15.47
EBIDTA	13.49	7.55	40.30	17.54	70.20
EBIDTA Margin (%)	0.11	0.07	0.22	0.08	0.15
Depreciation	0.92	1.67	3.64	3.85	6.37
EBIT	15.13	8.08	37.64	16.54	66.10
Interest Expenses	4.51	5.74	6.83	9.27	9.32
Profit Before Tax (PBT)	10.62	2.34	30.80	7.27	56.78
Tax	3.90	0.76	9.92	1.01	8.59
Deferred Tax	-0.07	0.15	0.58	0.56	7.39
Profit After Tax (PAT)	6.79	1.44	20.30	5.70	40.80



Revenues
(Rs. in cr.)



EBIDTA
(Rs. in cr.)

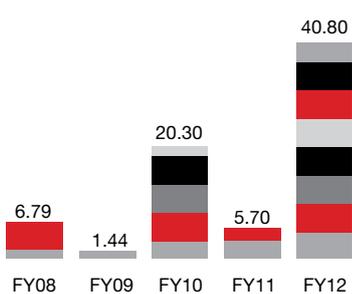


EBIDTA Margin
(in %)

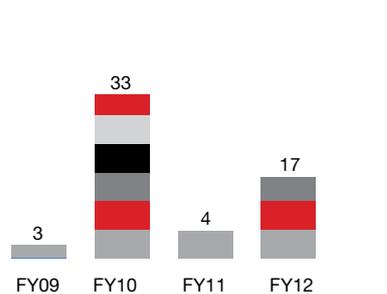
BALANCE SHEET

(Rs. in cr.)

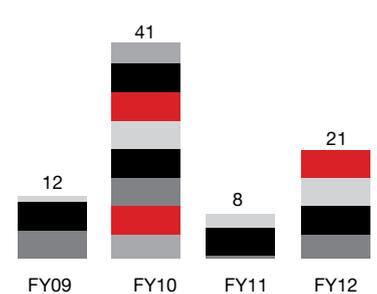
	FY08	FY09	FY10	FY11	FY12
Sources of Funds					
Share Capital	6.13	6.13	42.89	54.94	54.94
Reserves & Surplus	43.33	44.75	28.27	162.35	203.15
Total Shareholders' Fund	49.46	50.88	71.16	217.29	258.09
Total Loan Funds	30.40	7.18	54.76	46.12	110.97
Deferred Tax Liability	-0.13	0.01	0.60	1.15	8.54
Total Sources of Funds	79.73	58.07	126.52	264.56	377.61
Application of Funds					
Fixed Assets					
Gross Block	13.46	33.23	36.48	57.80	198.95
Less: Accumulated Depreciation	6.42	8.07	11.47	15.15	21.46
Net Block	7.04	25.16	25.01	42.65	177.49
Capital Work in progress	7.72	7.35	19.95	76.46	67.50
Investments	0.67	0.67	0.63	38.37	0.69
Current Assets					
Inventories	25.79	28.94	53.43	69.16	49.70
Sundry Debtors	24.56	14.96	58.25	30.64	103.75
Cash & Bank Balance	21.14	3.74	3.44	25.96	7.09
Loans & Advances	16.82	27.37	35.12	43.75	61.16
Total Current Assets	88.31	75.01	150.24	169.51	221.70
Current Liabilities					
Sundry Creditors	21.50	48.29	63.19	61.76	84.93
Provisions	2.51	1.83	6.12	0.67	4.84
Total Current Liabilities	24.01	50.12	69.31	62.43	89.77
Net Current Assets	64.30	24.89	80.93	107.08	131.93
Total Application of Funds	79.73	58.07	126.52	264.56	377.61



Profit after Tax (PAT)
(Rs. in cr.)



RONW
(in %)



ROCE
(in %)

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY HAS BEEN AN INTEGRAL PART OF THE CEBBCO'S VALUE AND CULTURE. CEBBCO CONTINUES ITS EFFORTS IN EVERY SMALL WAY TO GIVE SOMETHING BACK TO THE SOCIETY THROUGH ITS CSR INITIATIVES EVERY YEAR.



SAFETY

CEBBCO lays utmost importance on safety standards at all its working locations. At all its units, necessary procedures are in place to ensure safety of personnel. To ensure safety and health of its work force and create awareness, the Company undertakes the following activities:

- a. Internal safety audits
- b. Safety equipment to all employees including contract labour
- c. Mock drills to assess emergency and disaster management preparedness



COMMUNITY DEVELOPMENT

CEBBCO exhibits concern for the society and undertakes various community welfare measures and environment friendly initiatives. CEBBCO's social welfare and community development measures are focused on healthcare, education, child development, promotion of cultural activities amidst others.

CEBBCO is committed to improving the quality of life in communities in which it operates and contributing towards the overall development of the society.

Key Initiatives:

- ⇒ Provided drinking water arrangements (Piyau) during the summer season
- ⇒ Conducts Nasha Virodhi Saptah every year to generate awareness on the ill effects of intoxication
- ⇒ Undertook periodic visits and distributed of suggested items at help-age homes
- ⇒ Has been proactive in conducting health check-up camps for villagers on a regular basis
- ⇒ Conducted in-plant tree plantation drives in various locations

EMPLOYEES

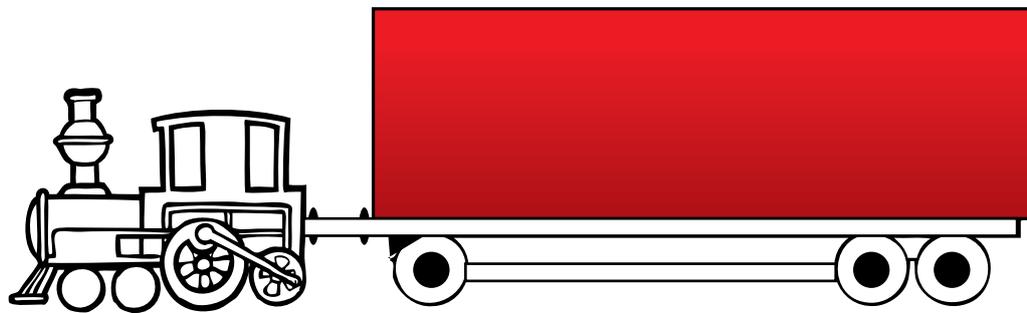
CEBBCO continued to conduct programmes for its employees and their families. These included:

- ⇒ Undertaking responsibility for educating the children of its employees
- ⇒ Arranging a gathering on the Annual Day and rewarding associates
- ⇒ Transportation facility to all employees including contract labour
- ⇒ Canteen facility to all employees including contract labour
- ⇒ Free Medical check-up for employees and their family is done periodically

During the year, 40 employees of CEBBCO participated and won laurels for the Company at the divisional level sports meet organised by Shram Kalyan Mandal (Bhopal) held in Jabalpur on 22 January, 2012.



STATUTORY SECTION



Notice of the 32nd Annual General Meeting of the Shareholders

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Commercial Engineers & Body Builders Co Limited will be held on Friday, the 28th September, 2012 at 3.00 PM. at **Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.), to transact the following business:**

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2012 and the Profit and Loss A/c for the year ended on that date and the Reports of the Board of Directors thereon and the report of the Auditors thereon.
2. To re-appoint the rotational Directors in place of Mr. Sudhir Kumar Vadehra who is to retire by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint the rotational Director in place of Mr. Ravi Gupta who is to retire by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s Deloitte Haskins & Sells firms' registration number-117366W, Chartered Accountant, the Statutory Auditors of the Company for the Year 2012-2013 and fix their fee/remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of Section 257, 260 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Praveen Kumar who was appointed as an additional Director of the Company by the Board of Directors pursuant to Section 260 read with the Articles of Association of the Company and who holds the Office under the Articles and under Section 260 of the Companies Act, 1956 only up to the

date of this Annual General Meeting and in respect of whom the company has received a notice from him specifying his consent and intention to propose himself as a candidate for the office of a director, be and is hereby appointed as a Director of the company liable to retire by rotation.”

REGISTERED OFFICE: By Order of the Board

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

**84/105A, G T Road,
KANPUR (UP)**

Date: 3rd August 2012

**Kailash Gupta
(Chairman cum Managing Director)**

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly stamped and executed should be deposited at the Registered Office / Head Office of the Company atleast 48 hours before the time fixed for the commencement of the meeting. A blank proxy form is annexed to Annual Report.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
4. Please bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall. Members are requested to bring their copies of Annual Report for reference at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 25th September, 2012 to Friday, the 28th September, 2012 (both days inclusive) in connection with the Annual General Meeting.
7. The explanatory statement pursuant to Section 173 of the Companies in relation to the special business No. 5 of the notice is annexed herewith as required under the Act.
8. Members are requested to intimate to the Company changes, if any, in their registered addresses quoting their folio number immediately.
9. The equity shares of the company are listed at the National Stock Exchange Limited [NSE] at Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and Bombay Stock Exchange Limited [BSE] at 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. It is informed that the Company has paid the annual listing fees of the above Stock Exchanges for the financial year 2012-13.
10. The National Securities Depository Limited, Trade World, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and Central Depository Services (India) Limited, 28th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400023 are the custodian of the equity shares of the company.

In terms of the provisions of Section 260 of the Act, Mr. Praveen Kumar will hold the Office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member under provisions of Section 257 of the Act along with deposit of ₹ 500 proposing the candidatures of Mr. Praveen Kumar as a Director liable to retire by rotation.

Details of Mr. Praveen Kumar, nature of his expertise, names of companies in which he holds directorship, number of shares held in the Company and membership/chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement executed with the Stock Exchange in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The Board accordingly recommends the Ordinary Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company, other than Mr. Praveen Kumar, is in any way concerned with or interested in the said resolution.

By Order of the Board

REGISTERED OFFICE:
84/105A, G T Road,
KANPUR (UP)
Date: 3rd August 2012

Kailash Gupta
(Chairman cum Managing Director)

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

Re: Item No. 5:

The Board of Directors of the Company (“The Board”), at its meeting held on 13.12.2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) and Article 82 of the Articles of Association of the Company, appointed Mr. Praveen Kumar as an additional Director of the Company.

Director's Report 2011-12

To the Members of

Commercial Engineers & Body Builders Co Ltd

Your Directors take pleasure in presenting the 32nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

Financial Highlights

Particulars	₹ in Lacs)	
	2011-12	2010-11
Gross Sales	65,373.18	29,991.31
Other Income	227.12	285.48
Profit Before Tax	5,678.16	727.11
Provision for Tax	1,597.97	157.17
Profit After Tax	4,080.19	569.94
Balance Brought Forward From Previous Year	3,378.95	2,809.01
Capitalised on issue of bonus shares	0.00	0.00
Balance c/f to Balance Sheet	7,459.14	3,378.95

Performance At Glance

The Company has recorded gross sales of ₹ 65,373.18 Lacs in the closed financial year 2011-12, which is 117.97% higher as compared to the previous financial year.

Further your Company has recorded profit before tax of ₹ 5,678.16 Lacs (Previous year: ₹ 727.11 Lacs).

The Profit after tax is at ₹ 4,080.19 Lacs in the current year. (Previous year: ₹ 569.94 Lacs)

Dividend

No dividend is recommended for distribution to the members for the year under review in view of the expansion plans ahead of the company.

Directors

The Board of Directors comprises of

Dr. Kailash Gupta - Chairman cum Managing Director

Mr. Ajay Gupta - Whole Time Executive Director

Mr. Bharat Bakhshi - Non Executive Nominee Director (Resigned on 10th August, 2011)

Mr. Sevantilal Popatlal Shah - Independent Director

Mr. Arun Kumar Rao - Independent Director (resigned on 13th December, 2011)

Mr. Sudhir K Vadehra - Independent Director

Mr. Akhil Shriprakash Awasthi - Non Executive Nominee Director

Mr. Ravi Gupta - Independent Director

Mr. Shyam Mani - Non Executive Additional Director (Resigned on 30th January, 2012)

Mr. Praveen Kumar (appointed on 13th December 2011)

Auditors

M/s Deloitte Haskins & Sells, firms' registration number-117366W, Chartered Accountants, 12 Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai, Statutory Auditors of the Company would retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

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

Your Company has been continuously making efforts to con-serve the energy in all possible ways.

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

During the year under review, the Company has a Foreign Exchange Earnings of ₹ Nil and ₹ 39.34 Lacs as Foreign Exchange outgo.

Employee

The list of employees whose particulars are required to be disclosed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of

Employees) Rules, 1975 is given as Annexure A forming part of this report.

Directors Responsibility Statement

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

- i) That in preparation of Accounts for the financial year ended 31st March, 2012; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the company for the year under review.

- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
- iv) That the Directors have prepared the Annual Accounts for the Financial year ended 31st March, 2012 on a going concern basis.

Acknowledgements

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

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

Place: Jabalpur **Kailash Gupta**
Date: 3rd August 2012 Chairman cum Managing Director

Annexure – (A) to Director's Report

Name	Age	Designation	Qualifi-Cation	Date of Commencement of Employment	Experience of No. of Years	Employment Held, Name of The Company And Designation	Remuneration Received	% of Shares Held
Ajay Gupta	39	Whole Time Executive Director	B.Com	01.10.2005	12 years		1,77,21,074.00	20.53
Kailash Gupta	65	Chairman cum Managing Director	Ph. D. M.Sc. (Physics)	28.09.1979	32 years		33,97,200.00	23.02

Note:

- Nature of employment (whether contractual or otherwise) :
 - a) the employment of Shri Ajay Gupta is contractual. The terms and conditions are subject to the contract (executive director's agreement) entered between the company and the director.
 - b) the employment of Dr. Kailash Gupta is contractual. The terms and conditions are subject to the contract (executive director's agreement) entered between the company and the director.
- Relative Directors – Dr. Kailash Gupta, Chairman cum Managing Director of the Company is father in law of Shri Ajay Gupta.
- Remuneration of Shri Ajay Gupta includes salary and commission.

For and on behalf of the Board
Commercial Engineers & Body Builders Co Ltd
Dr. Kailash Gupta
Chairman cum Managing Director

Place: Jabalpur
Date: 3rd August, 2012

Management Discussion & Analysis

Indian Economy

The global economy faced yet another turbulent year which saw eurozone crisis reach a crescent that almost led to the collapse of the euro on the back of debt-repayment crisis in Greece. Moreover, Standard & Poor's downgrading of the US debt outlook from stable to negative added to already nervous investor sentiments.

The Indian economy also faced a slowdown in growth during the year. GDP grew by 6.5% in 2011-12 after having grown at 8.4% in each of the two preceding years, according to latest report by the RBI. This is substantially lower than the 9% growth for 2011-12 projected by the finance minister in the union budget in Feb 2011.

On the domestic front, inflation remained high during most of 2011-12. Average inflation rate was 9.1% though it slowed down by the year-end. The RBI took a strong stance on the rising inflation by increasing repo rates 13 times between March 2010 and January 2012 cumulatively by 375 bps. The RBI also tightened its monetary policy and raised interest rates during the year. Inflation started to come under control from December 2011 when the RBI changed its hawkish stance and signalled a reversal by keeping the rates unchanged. However, the effect of high rates of interest and sustained inflation were reflected in higher costs of finance, which had a severe impact on volumes and expansion plans of most companies during the year. This has impacted OEMs across the country.

In a bid to revive and rejuvenate growth, the government has given assurances by focussing on speeding up infrastructure development. Growth in sectors like mining and construction would lead to an increased demand for commercial vehicles. This will ensure growth in the commercial vehicles space. The conversion from chassis to Fully Built Vehicle (FBV) still remains strong and would expand the opportunity and provide for an exponential growth to the FBV industry.

Industry Section

In India, roadways constitute a majority of the freight traffic accounting for ~60% of the total freight. Hence, India is one of the largest markets for commercial vehicles across the world. Freight transportation is in direct correlation to the GDP of a country. High growth in GDP reflects higher economic activity, which results in higher freight transportation.

The Commercial Vehicle industry can be classified as passenger vehicles and goods vehicles with goods vehicles accounting for a majority. The goods vehicles can be further categorised in Small Commercial Vehicle (SCV) which is less than 1 tonne capacity, Light Commercial Vehicle (LCV) which is more than 1 tonne and less than 7.5 tonne capacity, and Medium and Heavy Commercial Vehicle (MHCV) which is greater than 7.5 tonne capacity.

A fully built vehicle is ready to use commercial vehicle for a specific application. The company focuses on building fully built vehicle (FBV) for LCV and MHCV.

Most of the OEMs in the country have taken it up as a challenge to convert the chassis sale into fully built vehicle (FBV) over the medium period. The body building industry will benefit from both the growth in commercial vehicles as well as the conversion from chassis sale to fully built vehicle. This would result in exponential growth opportunity for organised body building industry.

Railways

With ~64015 route kilometres and 1.4 million employees, Indian Railways is one of the largest railway systems in the world. It is the fourth largest freight carrier across the world. Indian Railways is experiencing a significant shortfall in the number of wagons to meet the demand arising out of the freight traffic which is expected to increase by 8% and hence we expect the railways to place significant orders for wagons to reduce the deficit.

Company Overview

The company produces vehicle and locomotive shells for diverse applications for road and railways transportation. We are one of the leading manufacturers in India of vehicle bodies for commercial vehicles with an extensive portfolio of product offerings. We are the industry leaders in the body manufacturing space and we manufacture bodies for most of the OEMs in the country. We target to cater to the entire rolling stock of the Indian Railways in the railways sector. We conduct refurbishment of wagons as well as manufacturing of components for coaches and locomotives alongwith the new wagons in the railways division.

We have an experienced and professional team of senior management personnel, as well as a well qualified and experienced design team of mechanical engineers engaged in developing new solutions for our customers to suit their business needs.

Advantage CEBBCO:

- Strong demand from OEMs resulting from conversion of chassis sale into FBV.
- Industry leadership in the tippers and load bodies category for both defence and domestic market.
- Extensive product offerings in commercial vehicles for application across diversified industries.
- Access to all the major OEMs.
- Robotic welding for tipper bodies, enhancing productivity and cost effectiveness
- Ability to manufacture superior quality structures, using one of the most stringent industry guidelines
- Raw material sourcing from reputed vendors such as ESSAR, SAIL and Lloyds
- In-house welding training centre with assistance from PUM, Netherlands
- One of the best quality index in India for Tata Motors Limited
- A state-of-the-art railway Wagon plant which has received RDSO approval for manufacturing of railway wagons.

- Aiming to target the entire railway rolling stock programme – locomotives, passenger coaches and wagons
- Strong execution in power structurals where we have already executed orders from L&T and BHEL. We have repeat orders in the pipeline.
- 2% differential Excise duty benefit (announced in the union budget 2012) to the customers in buying FBV against chassis is providing a huge impetus in conversion of chassis sale to FBV sale

Business Overview

Fully Built Vehicles (FBV):

The company maintained its leadership position in the Fully Built Vehicle space.

The Government has provided a huge impetus to the conversion of chassis sale to FBV sale by providing for a 2% differential duty. A customer now stands to benefit by paying a 12% duty on buying a fully built vehicle against a 14% duty on chassis purchased from the unorganized segment.

The company was able to manage to remove itself from the vendor bill discounting scheme of TATA motors in Q4 of 2011-12. Under the scheme, TATA Motors Limited used to discount our invoices of 30 days and pay us upfront in few days. However, for discounting, TATA Motors Limited used to charge 1.65 % as a discount charge from us, which used to reduce our EBITDA even though it was in reality a finance charge. Now, our EBITDA will increase by 1.65 %. We will, however, be paying interest charges to the banks at the rate of approximately 12% per annum and, in effect, save money. However, our bill discounting facility with banks shall increase commensurately.

Railways:

CEBBCO secured a 247 wagons order from Braithwaite (100% subsidiary of the Indian Railways) in 2011-12. The prototype wagon has been manufactured in March and same was approved. We have now started mass production and billing for the entire order will be completed in the first half of 2012-13.

The company has received RDSO approval for its Deori railway plant. CEBBCO is now eligible to bid for the new wagons order by Indian Railways. We shall now be expecting to achieve a substantially higher turnover from railways in 2012-13.

Power:

The company manufactures structurals for electrostatic precipitators and boilers. The company is currently executing orders in power structurals from L&T and BHEL. We have repeat orders in the pipeline. The company would continue in its endeavour to increase revenues in this segment.

Capex Benefits:

CEBBCO stands to benefit from the TRIFAC policy of the state of Madhya Pradesh. We have already informed the investors during our IPO about the entire scheme in detail and a note to same is available in RHP. The company has received the first cheque under the scheme for a amount of Rs. 9,27,443 in 2011-12. We anticipate and hope to receive ~Rs. 230 cr. over the next 7 years.

The subsidy will be granted in form of sales tax benefits.

The subsidy will be granted to an establishment in payment of state sales tax to the extent of capital investment made by the establishment. If the investment in a project is more than Rs. 10 cr., then the establishment gets subsidy @ 75% of the incremental sales tax payable during the year. The sales tax subsidy will be adjusted in the subsequent year at the time of sales tax assessment, and we shall receive the amount back every year. This amount of sales tax will reflect in "Income from Other Sources".

Financial Overview

Income Statement highlights:

Revenues of the company increased by 116% to Rs.468.63 cr. in 2011-12. This was mainly due to the revived demand in the FBV market post the emission norms change. Effective cost cutting measures also ensured that the company achieved operating leverage and hence, the EBIDTA increased 300% to Rs.70.21 cr. in 2011-12. The company

also witnessed more than approximately 7 times increase in the net profitability for the year 2011-12.

Balance Sheet Highlights:

Net Block and Capital Work-in-Progress saw a significant increase from Rs.73.47 cr in 2010-11 to Rs.231.43 cr. This was because of capacity expansion in FBV by 50% and the expansion of the railway plant which was not utilized during the year 2011-12. The company will witness a significant increase in revenues from the increased net block.

The end of 2011-12 saw bumper sales for the company. As a result of this, the company saw a huge reduction in its inventories and an increase in its debtors due to which the working capital cycle for the year as a whole went down considerably. The company expects the working capital cycle to be in the range of 2.5 months.

The utilization of the additional fixed assets created in the last two years will bring significant revenues to the company thereby increasing its return ratios viz. ROCE and ROE.

Opportunities

In our view and estimate, India will continue to grow at a rate in between 6%-9%. The country's energy and infrastructure needs will continue to grow as the Indian economy expands. In India, there exists a shortfall of energy, and transportation of goods can happen only through road and rail. CEBBCO is attractively placed to capture this growth opportunity through its business verticals viz. FBV, Rail and Power.

CEBBCO is the industry leader in body building for commercial vehicles and will continue to benefit significantly from the stated policy of OEMs to convert chassis sale into FBV sale. We are in the process of raising our capacity by close to 10,000 to meet the growing demand in the FBV space. This would ensure exponential growth for the company from FBV division.

CEBBCO has also received RDSO approval for its Railway plant (Deori) which means that the company is now eligible to bid for new wagon orders by the Indian Railways. This would mark the company's entry in the new wagons

business and hence, complete its offering for the entire rolling stock programme of the Indian Railways.

Risk Management

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

- The growth of the company will be linked to that of the commercial vehicle growth post the conversion from chassis to FBV: The Company had foreseen this risk two years prior and hence, diversified into railways and power to provide for the next leg of growth.
- Increase in raw material costs: steel accounts for around ~70% of the raw material costs. The company follows a zero based costing model with steel being a pass through with a lag of a quarter. With increase in volumes, the Company has been constantly leveraging its negotiating powers with its vendors to reduce procurement costs. Besides, it is also focusing on cost-cutting measures.
- Irregular order flows from the Indian Railways: The Company will get affected in case there are irregular order flows from the Indian railways. However, the plant of the company is fungible and it can be used for manufacture of fully built vehicles.

Material Development in Human Resources

The company considers its human resource to be its most important assets. Training and development of these employees takes place at all levels. The company gives a lot of importance to the human resource activities. These activities help to retain employees and motivate them, with their support we can look to a bright future of the company.

The company has set up an in-house Welding Training Centre (in association with PUM, Netherlands) to train the

welders for types of weld and different positions of welding - and to ensure welding as per ISO standards

Internal Control System

The Company ensures that it has proper and adequate systems of internal controls commensurate its size and industry requirements whereby all assets are protected and safeguarded against any loss from unauthorised use or disposition. All transactions are duly authorized, recorded and reported.

The Company has an extensive system of controls through regular internal audits that are undertaken on a regular basis by an in-house internal audit team as well as by a firm of chartered accountants. The policies of the Company are clearly documented through exhaustive guidelines, processes and procedures that supplement the internal control systems. The management monitors and reviews these on a regular basis to ensure the financial and other records are reliable and that accountability of all assets is maintained.

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

The Company ensures compliance of all internal audit control systems and reviews the quarterly, half-yearly and annual financial statements before these are submitted to the Board.

Report of Corporate Governance

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

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

2. Board of Directors

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

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

The Board met 8 times during the year 2011-12 i.e. on 28th May, 2011, 10th August, 2011, 26th September 2011, 7th November 2011, 13th December 2011, 7th February 2012, 4th March 2012 and 27th March 2012.

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

Sr. No.	Designation	Name of Director	Position	No of Board Meetings (Attendance)	Last AGM Attendance
1	Managing Director/ Chairman	Dr. Kailash Gupta	Promoter Executive	8	Present
2	Whole Time Executive Director	Mr. Ajay Gupta	Promoter Executive	8	Present
3	Director	Mr. Bharat Bakhshi(resigned on 10th August, 2011)	Non-executive Nominee Director	Nil	N.A.
4	Director	Mr. Akhil Shri Prakash Awasthi	Non-executive Nominee Director	5	Absent
5	Director	Mr. Sevantilal Popatlal Shah	Non-Executive Independent	3	Absent
6	Director	Mr. Arun Kumar Rao(resigned on 13.12.2011)	Non-Executive Independent	3	Absent
7	Director	Mr. Sudhir Kumar Vadehra	Non-Executive Independent	2	Absent
8	Director	Mr. Ravi Gupta	Non-Executive Independent	5	Absent
9	Director	Mr. Shyam Mani (appointed on 10.08.2011 resigned on 30.01.2012)	Non Executive	1	Absent
10	Director	Mr. Praveen Kumar (appointed on 13.12.2011)	Non-Executive Independent	1	N.A.

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

Sr. No.	Name of Director	Directorship held in other companies (including Private Companies)	Position held as Chairperson of Board Committee	Position held as Board Committee member
1	Dr. Kailash Gupta	11	-	-
2	Mr. Ajay Gupta	1	-	-
3	Mr. Akhil Shri Prakash Awasthi	1	-	-
4	Mr. Sevantilal Popatlal Shah	3	-	-
5	Mr. Sudhir Kumar Vadehra	4	-	-
6	Mr. Ravi Gupta	2	-	-
7	Mr. Praveen Kumar	-	-	-

c.) No. of Shares held by the Directors:

Sr. No.	Designation	Name of Director	Position	No. of Shares held	%
1	Managing Director/ Chairman	Dr. Kailash Gupta	Promoter Executive	12,645,780	23.02
2	Whole Time Executive Director	Mr. Ajay Gupta	Promoter Executive	11,281,270	20.53
3	Director	Mr. Akhil Shri Prakash Awasthi	Nominee Director	NIL	-
4	Director	Mr. Sevantilal Popatlal Shah	Non-Executive Independent	NIL	-
5	Director	Mr. Sudhir Kumar Vadehra	Non-independent Non-Executive	NIL	-
6	Director	Mr. Ravi Gupta	Non-Executive Independent	NIL	-
7	Director	Mr. Praveen Kumar	Non-Executive Independent	NIL	-

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

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

3. Audit Committee

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

- Regular review of accounts, accounting policies and disclosures.
- Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Review any qualifications in the draft audit report.

- Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- Upon completion of the audit, attend discussions with the independent auditors to ascertain any area of concern.
- Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems.
- Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
- Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies.

- Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
 - Examine any related party transactions, i.e., transactions of the Company that are of a material nature with promoters or management, their subsidiaries, relatives, etc., that may have potential conflict with the interests of the Company.
 - Appointment and remuneration of statutory and internal auditors.
 - Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.
- b.) Composition, name of members and chairperson.

The composition of the Audit Committee is as under

- Mr. A. K. Rao (Resigned on 13th December, 2011)
- Mr. Ravi Gupta – Chairman
- Mr. Akhil Shriprakash Awasthi
- Mr. Praveen Kumar (Appointed on 13th December, 2011)
- Mr. Sevantilal Popatlal Shah

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

- c.) Audit Committee Meetings were held on 28th May 2011, 10th August 2011, 7th November 2011 and 7th February 2012 The attendances of the members are as follows:-

Sr. No	Date of Audit Committee Meeting	Attendance of Directors				
		Mr. A K Rao	Mr. Akhil Srip-rakash Awasthi	Mr. Ravi Gupta	Mr. S P Shah	Mr. Praveen Kumar
1	28th May 2011	Y	-	Y	Y	
2	10th August 2011	Y	Y	Y	N	
3	7th November 2011	Y	N	Y	N	-
4	7th February 2012	-	Y	Y	Y	N

Y-Attended N-Not Attended

4. Remuneration Committee

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

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

b.) Remuneration Policy :

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

c.) The committee consists of following directors:

- Mr. Akhil Sripakash Awasthi
- Mr. Sevantilal Popatlal Shah
- Mr. Ravi Gupta

During the year under review, no meeting of the Committee was held.

d.) Details of remuneration paid to the Managing Director and Whole Time Executive Director for the Financial Year 2011 -2012:

Name of Director	Dr. Kailash Gupta	Mr. Ajay Gupta
Designation	Chairman cum Managing Director	Whole Time Executive Director
Salary, contribution to PF, perquisites & Commission (₹)	3,397,200	17,721,074

e.) Salient features of terms of appointment

Dr. Kailash Gupta	Terms of appointment
Salary	Monthly basic salary of ₹ 100,000 per month with 10% annual increment.
Housing	House rent allowance of ₹ 150,000 per month.

Mr. Ajay Gupta	Terms of appointment
Salary	Monthly basic salary of ₹ 500,000 per month with 10% annual increment
Commission	Commission is 2.5% of the audited profit after tax for the financial year adjusted for the commission.
Communication facilities	One mobile phone and one telephone at residence and expenses on actual.
Conveyance Facilities	One Car with Driver and fuel, repairs and maintenance of car on actual.
Leave	30 days per annum
Gratuity	As per applicable laws
Contribution to Provident Fund, Super-annuation Fund & Annuity Fund	As per applicable laws
Personal Accident Insurance	Annual Cover for self for ₹ 25,00,000
Club Fees	One Club Membership anywhere in India
Leave Travel	One foreign trip per Year up to ₹ 5,00,000 per annum
Medical Expenses	Medical Insurance for Self and Family. Annual cover for self and Wife of ₹ 7,00,000 each and ₹ 5,00,000 each for two children

Housing	One Rent Free Accommodation of Approx. 5000 square feet constructed area with lawn in Jabalpur
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The above excludes amounts pertaining to gratuity for the year as the same is provided on the basis of the actuarial valuation for the Company as a whole.

Note

In view of inadequacy of profits in the previous year, the Company had applied to the Central Government for approval of the remuneration paid to the Managing Director and Whole Time Director. The Company has received approval from the Central Government on 25th October, 2011 for payment of annual remuneration of ₹ 84 lacs to Mr. Ajay Gupta (Whole Time Director) and ₹ 32.52 lacs to Mr. Kailash Gupta (Managing Director) for 2010-11. Consequent to the approval, remuneration paid to Mr. Ajay Gupta for the year ended March 31, 2012 has been reversed by ₹ 16.86 lacs being excess remuneration paid for the year ended March 31, 2012.

Managing Director and Whole Time Director have been appointed for a term of five years upto 31st July, 2012.

f.) No sitting fees were paid to any non-executive director for the financial year 2011-12

5. Shareholders / Investors Grievance Committee

The purpose of forming this Committee is to mainly focus on the basic rights of the shareholders including, transfer of Shares, transmission / transposition of Shares, issue of duplicate / split Certificates, sub Division / consolidation of shares, consolidation of folios, de-materialization / re-materialization of shares and such other issues relating to shares. No meeting was held during 2011-12.

a. Composition:

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

b. Name and designation of Compliance Officer:

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

c. Details of requests received and redressed during the year 2011 - 12:

Sr. 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	1	1	-
4	Non receipt of refund order	1	1	-
5	Clarification regarding shares	-	-	-
Total		2	2	-

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

Date	Location	Time	Details of any Special Resolution
30th September, 2009	Registered Office, Kanpur	04.00 P. M.	Resolution under section 257 of companies Act for appointment of Mr. S. P. Shah on the board of the Company
28th July, 2010	Registered Office, Kanpur	04.00 P. M.	Nil
24th September, 2011	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.),	03.00 P.M.	Nil

b.) Postal Ballots:

There was one special resolution passed during the financial year 2011-12 through postal ballot for alteration of clause 106 of Articles of Associations of the Company through notice to the Shareholders whose name appeared as members as on 17th February 2012. The result of the postal ballot reported for the said special resolution by the Scrutinizer is as follows:

Particulars	No. of Postal Ballot Forms	No. of Shares / Votes	% of total votes cast
Total Postal Ballot Forms received.	221	40,693,450	-
Invalid Postal Ballot Forms.	1	1,349	-
Valid Postal Ballot Forms.	210	40,692,101	-
Postal Ballot Forms with assent	199	40,690,351	99.90
Postal Ballot Forms with dissent	11	1,750	0.01
RESULT	PASSED		

There is no proposal for any special resolution to be passed through postal ballot.

Person who conducted the Postal Ballot

S.K. Gupta, Company Secretary in Practice

7. Disclosures

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

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

8. Secretarial Audit

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

9. Means of Communication

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

results are also posted on the Company's website www.cebbco.com

Managements' discussion and analysis forms part of the Annual Report

10. General Shareholder Information

1. Number of Annual General Meeting : 32nd Annual General Meeting
2. Date : 28th September, 2012
3. Day : Friday
4. Time : 3:00 P.M.
5. Venue : Stock Exchange Auditorium, U.P Civil Lines, Stock Exchange Building, Kanpur, (U.P.)
6. Financial Year : 2012 -13

Particulars	Date
First Quarter Results	On or before August 14, 2012
Second Quarter Results	On or before November 14, 2012
Third Quarter Results	On or before February 14, 2013
Audited Annual Results	On or before May 30, 2013

7. Book Closure Date : 25.09.2012 to 28.09.2012 (Both dates included)
8. The shares of the Company have been listed on the Bombay Stock Exchange Ltd. Mumbai and the National Stock Exchange of India Limited w.e.f. October 18, 2010. The listing fees for FY 2012-13 to both these Stock Exchanges have been paid.

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

Sr. No.	Month	BSE				NSE			
		High ₹ P.	Low ₹ P.	SENSEX Highest	SENSEX Lowest	High ₹ P.	Low ₹ P.	Nifty 50 Highest	Nifty 50 Lowest
1	April, 2011	44.25	37.75	19,811.14	18,976.19	44.00	37.50	5944.45	5693.25
2	May, 2011	38.95	34.20	19,253.87	17,786.13	39.75	34.00	5775.25	5328.70
3	June, 2011	38.00	34.25	18,873.39	17,314.38	37.00	34.00	5657.90	5195.90
4	July, 2011	51.80	35.10	19,131.70	18,131.86	51.95	35.30	5740.40	5453.95
5	August, 2011	43.55	31.30	18,440.07	15,765.53	43.85	33.55	5551.90	4720.00
6	September, 2011	38.40	31.15	17,211.80	15,801.01	36.05	32.30	5169.25	4758.85
7	October, 2011	43.95	30.05	17,908.13	15,745.43	43.90	29.70	5399.70	4728.30
8	November, 2011	56.70	41.00	17,702.26	15,478.69	56.65	40.50	5326.45	4639.10
9	December, 2011	61.65	43.60	17,003.71	15,135.86	61.65	41.35	5099.25	4531.15
10	January, 2012	71.50	54.90	17,258.97	15,358.02	71.70	54.80	5217.00	4588.05
11	February, 2012	67.90	55.10	18,523.78	17,061.55	68.10	55.50	5629.95	5159.00
12	March, 2012	62.30	54.85	18,040.69	16,920.61	62.20	55.75	5499.40	5135.95

11. Registrar and Share Transfer Agents

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

12. Share Transfer System

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

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

13. Shareholding Pattern as on 31.03.2012

Particulars	Total Shares	Percentage (%)
CLEARING MEMBERS	16,048	0.03
FOREIGN INSTITUTIONAL INVESTOR	3,363,813	6.12
FOREIGN VENTURE CAPITAL	4,018,396	7.31
H U F	563,626	1.03
BODIES CORPORATES	3,062,234	5.57
MUTUAL FUNDS	894,552	1.63
NON RESIDENT INDIANS	80,523	0.15
PROMOTERS BODIES CORPORATE	27,054	0.05
PROMOTER TRUST	3,213,443	5.85
PROMOTER INDIVIDUALS	27,424,670	49.91
RESIDENT INDIVIDUALS	6,268,564	11.41
TRUSTS	4,640	0.01
VENTURE CAPITAL FUND	6,005,401	10.93
Total	54,942,964	100.00

14. Distribution of Shareholding as of 31.03.2012:

Distribution of Shares	No of Shareholders	Percentage to total no. of Shareholders	No. of Shares held	Percentage to total Shares
Upto 1 - 5000	4982	82.98	6,880,820.00	1.25
5001 - 10000	493	8.21	3,954,990.00	0.72
10001 - 20000	197	3.28	3,083,630.00	0.56
20001 - 30000	72	1.20	1,891,610.00	0.34
30001 - 40000	36	0.60	1,289,810.00	0.23
40001 - 50000	44	0.73	2,101,340.00	0.38
50001 - 100000	61	1.02	4,764,120.00	0.87
100001 & ABOVE	119	1.98	525,463,320.00	95.64
Total	6004	100.00	549,429,640.00	100.00

15. Dematerialization of Shares and Liquidity

54,942,951 equity shares of the Company are dematerialized as on 31.03.2012.

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

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

Place: Jabalpur
Date: 11th May, 2012

Dr. Kailash Gupta
Chairman cum Managing Director

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

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

I Confirm that Company has in respect of the financial year ended March 31, 2012 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

Sd/

Place: Jabalpur
Date: 31st March, 2012

Dr. Kailash Gupta
Chairman cum Managing Director

CEO & CFO Certificate

To,

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

Dear Sir(s),

- a. This is to confirm that we have reviewed financial statements and the cash flow statement for the year 2011-12 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. That there are no significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Ajay Gupta
Whole Time Executive Director

Abhijit Karvinde
Chief Financial Officer

Certificate

To the members of Commercial Engineers & Body Builders Co Limited

We have examined the compliance of conditions of Corporate Governance by Commercial Engineers & Body Builders Co Limited for the year ended on 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company, based on the records maintained by the Registrar and Share Transfer Agents and as certified by the Compliance officer of the Company.

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

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

A. B. Jani

Partner

Membership No: 46488

Mumbai

Dated: May 11, 2012

Auditor's Report

To the Members of

Commercial Engineers & Body Builders Co Ltd

1. We have audited the attached Balance Sheet of Commercial Engineers & Body Builders Co Limited ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2012;
 - (ii) In the case of Statement of Profit and Loss of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
 - (f) On the basis of written representations received from the directors as on 31st March, 2012 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

A B Jani
Partner

Mumbai
Date: May 11, 2012

Membership No. 46488

Annexure – (A) to Auditor’s Report

Re: Commercial Engineers & Body Builders Co Limited

(Referred to in Paragraph 3 of our report of even date)

- i) Having regard to the nature of the Company’s business /activities/results clause (xiii) and (xiv) of paragraph 4 of the CARO are not applicable to the Company for the year.
- ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii) In respect of its inventory:
 - a) The inventories have been physically verified during the year by the Management at reasonable intervals.
 - b) The procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv)
 - (a) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly the sub-clauses (a) to (d) of clause (iii) of the Order are not applicable to the Company.
 - (b) The Company had granted unsecured loan to one company covered in the register maintained under Section 301 of the Companies Act, 1956 in previous year. At the year-end, the outstanding balances of such loan aggregated to Rs. Nil and the maximum amount involved during the year was Rs. 34.85 lacs.
 - (c) The rate of interest and other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (d) The receipt of principal amount and interest has been regular as per stipulations.
- v) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regards to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

- (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- x) According to the information and explanations given to us in respect of statutory dues:
- (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and any other statutory dues with the appropriate authorities during the year, where applicable except for Value Added Tax (VAT) and Central Sales Tax though the delays in deposit have not been serious.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to information and explanation given to us there are no dues of Income-tax / Sales Tax / Wealth Tax / Service Tax /Custom Duty /Excise Duty and Cess, which have not been deposited with the appropriate authorities on account of dispute except for following:

Name of statute	Nature of the dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	Central Excise Act, 1944	301.66	2011-12	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	2,521.82	2010-11	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	498.13	2009-10	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	1,002.70	2008-09	Central Excise Commissioner, Bhopal
Excise Duty	Central Excise Act, 1944	486.23	2011-12	Central Excise Commissioner, Jamshedpur
Excise Duty	Central Excise Act, 1944	80.61	2010-11	Central Excise Commissioner, Jamshedpur
Sales Tax	M.P. Commercial Tax Act, 1994	54.31	2007-08	Additional Commissioner, Jabalpur
Sales Tax	Central Sales Tax Act, 1956	45.56	2008-09	Additional Commissioner, Jabalpur
MP Entry Tax	Entry Tax on goods purchased	118.30	January'12 to March'12	Supreme Court

- xi) The Company has no accumulated losses as at the end of the year and it has not incurred cash losses in the current year and in the immediately preceding financial year.
- xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions.

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

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

A B Jani

Partner

Membership No. 46488

Mumbai

Date: May 11, 2012

Balance Sheet

as at 31st March, 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	5,494.30	5,494.30
(b) Reserves and surplus	4	20,315.46	16,235.27
		25,809.76	21,729.57
2 Non-current liabilities			
(a) Long-term borrowings	5	2,968.89	32.83
(b) Deferred tax liabilities (net)	6	854.26	115.31
(c) Other long-term liabilities	7	58.18	15.29
		3,881.33	163.43
3 Current liabilities			
(a) Short-term borrowings	8	8,107.38	4,563.22
(b) Trade payables	9	6,900.41	5,793.30
(c) Other current liabilities	10	1,574.94	383.12
(d) Short-term provisions	11	464.60	66.51
		17,047.33	10,806.15
Total		46,738.42	32,699.15
II ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		17,744.90	4,256.62
(ii) Intangible assets		4.11	8.54
(iii) Capital work-in-progress		5,394.22	3,081.59
		23,143.23	7,346.75
(b) Non-current investments	13	60.03	63.41
(c) Long-term loans and advances	14	1,701.08	4,994.97
(d) Other non-current assets	15	145.12	-
		25,049.46	12,405.13
2 Current assets			
(a) Current investments	16	8.86	3,773.28
(b) Inventories	17	4,970.06	6,915.81
(c) Trade receivables	18	10,374.63	3,064.13
(d) Cash and cash equivalents	19	573.18	2,596.39
(e) Short-term loans and advances	20	5,762.23	3,944.41
		21,688.96	20,294.02
Total		46,738.42	32,699.15
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

A.B. Jani
Partner

For and on behalf of the Board of Directors

Kailash Gupta
Chairman & Managing Director

Abhijit Kanvinde
Chief Financial Officer

Place : Jabalpur
Date : May 11, 2012

Ajay Gupta
Director

Anurag Misra
Company Secretary

Place : Jabalpur
Date : May 11, 2012

Statement of Profit and Loss

for the year ended 31st March, 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. Revenue			
a Revenue from operations (gross)	21	65,373.18	29,991.31
Less: Excise duty	21	18,509.60	8,317.63
Revenue from operations (net)		46,863.58	21,673.68
b Other income	22	227.12	285.48
Total Revenue		47,090.70	21,959.16
II. Expenses			
(a) Cost of materials consumed	23.a	32,435.47	18,073.55
(b) Changes in inventories of finished goods and work-in-progress	23.b	2,469.91	(1,650.39)
(c) Other Manufacturing Expenses	24	1,895.78	1,214.48
(d) Employee benefits expense	25	1,495.72	1,052.14
(e) Finance costs	26	931.64	926.89
(f) Depreciation and amortisation expense	12	637.23	385.25
(g) Other expenses	27	1,546.79	1,230.13
Total Expenses		41,412.54	21,232.05
III. Profit before Tax (I-II)		5,678.16	727.11
IV. Tax expense:			
(a) Current tax		1,126.57	123.57
(b) (Less): MAT credit		-	38.17
(c) (Excess)/ Short Provision of Tax relating to prior years		(267.55)	16.13
Net current tax expense (a-b+c)		859.02	101.53
(d) Deferred tax		738.95	55.64
Total Tax Expense		1,597.97	157.17
V. Profit After Tax (III-IV)		4,080.19	569.94
VI. Earnings per share (of ` 10/- each):			
Basic and Diluted (in Rupees)		7.43	1.18
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

A.B. Jani
Partner

For and on behalf of the Board of Directors

Kailash Gupta
Chairman & Managing Director

Abhijit Kanvinde
Chief Financial Officer

Place : Jabalpur
Date : May 11, 2012

Ajay Gupta
Director

Anurag Misra
Company Secretary

Place : Jabalpur
Date : May 11, 2012

Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
A Cash Flow from operating activities		
Net Profit before Tax	5,678.16	727.11
Depreciation	637.23	385.25
Loss on fixed assets written off	12.05	-
Investments written off	2.60	-
Loss on Sale of Investments	3.83	-
Provision for Doubtful debts/Advances	6.98	1.17
Bad Debts/Advances written off	0.46	-
Interest and Finance Charges	950.57	926.89
Profit on Sale of Fixed Assets	-	(0.28)
Interest Income	(140.40)	(112.87)
Dividend income	(51.92)	(123.84)
Provision for Diminution in value of Investment written back	(6.43)	-
Provision for Doubtful Debts written back	(1.17)	-
Liabilities / provisions no longer required written back	(0.45)	-
Operating Profit before working capital changes	7,091.51	1,803.43
Changes in working capital:		
Decrease/(Increase) in Inventories	1,945.75	(1,572.50)
(Increase)/Decrease in Trade and Other Receivable	(4,506.81)	2,038.20
Increase in Trade Payable and Other Liabilities	1,601.88	89.25
Cash generated from operations	6132.33	2,358.38
Taxes Paid (Net of refund)	(447.03)	(805.37)
Net Cash from operating activities	5,685.30	1,553.01
B Cash Flow from Investing Activities		
Interest Received	140.40	112.87
Dividend Received	51.92	123.84
Proceeds from Sale of Fixed assets	24.29	0.89
Inter Corporate Deposits given	(1,500.00)	-
Purchase of Investment	-	(27,200.49)
Sale of Investments	3,767.80	23,427.21
Purchase of Fixed Assets	(15,738.72)	(8,015.46)
Net Cash used in Investing activities	(13,254.31)	(11,551.16)
C Cash Flow from Financing Activities		
Proceeds from Short Term Borrowings	3,541.44	861.55
Proceeds from Long Term Borrowings	2,957.10	-
Repayment of Long Term Borrowings	(21.05)	(1,726.32)
Proceeds from issue of Equity Shares	-	1,204.73
Securities Premium received	-	12,837.80
Interest and Finance Charges Paid	(931.69)	(926.91)

Net Cash from Financing Activities	5,545.80	12,250.87
Net (decrease)/increase in cash and cash equivalents	(2,023.21)	2,252.72
Cash and cash equivalents as on 31st March, 2011	2,596.39	343.67
Cash and cash equivalents as on 31st March, 2012	573.18	2,596.39

Notes:

- 1 Components of cash and cash equivalents include cash and bank balances as stated in Note 19.
- 2 Cash and cash equivalents as at 31st March, 2012 include following balances, use of which is restricted:
 - a) Deposit receipts aggregating to ₹ 121.14 lacs (Previous Year ₹ 279.74 Lacs) are under lien with bank against Performance Guarantee and Credit facilities from Banks.
 - b) Deposits receipts given as earnest money deposits/Security Deposits aggregate to ₹ 224.91 lacs (Previous year ₹ 90.95)
 - c) Balances with Scheduled Banks include ₹ 2.29 Lacs (Previous year ₹ 2,100.70) of unutilised monies raised in the Initial Public Offer.
- 3 Purchase of Fixed Assets is considered as part of the investing activities.
- 4 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement" (AS 3) as notified under the Companies (Accounting Standards) Rules, 2006.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

A.B. Jani
Partner

For and on behalf of the Board of Directors

Kailash Gupta
Chairman & Managing Director

Abhijit Kanvinde
Chief Financial Officer

Place : Jabalpur
Date : May 11, 2012

Ajay Gupta
Director

Anurag Misra
Company Secretary

Place : Jabalpur
Date : May 11, 2012

Notes forming part of the Financial Statements

Note 1: Background of the Company

The Company was incorporated in the year 1979, under the name Commercial Engineers & Body Builders Co Private Limited. The name was changed to “Commercial Engineers & Body Builders Co Limited” in the year 2010. The Company’s Equity Shares were listed in the same year. The Company caters to Commercial Vehicles, Railways and Power sectors through manufacturing of Tipper, Load bodies, Wagons and components.

Note 2: Significant accounting policies

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

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

(b) Use of Estimates:

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

(c) Fixed Assets:

Tangible assets:

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

Intangible assets:

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

(d) Depreciation and Amortization:

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

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

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

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

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

- iv) Assets having value of ₹ 5000/- or less are charged off fully in the year of purchase.
- v) Computer Software is amortized over the period of three years.

(e) Impairment of Assets:

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets".

Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

(f) Revenue recognition:

Revenue from sale of built bodies is recognised when products are despatched and all significant risks and rewards of ownership of the products are transferred to the customers.

Revenue from service contract is recognized when the services are completed.

Dividend from investments is recognized as and when a right to receive payment is established.

(g) Inventories:

Inventories are valued at lower of cost and net realisable value. The cost of inventories is arrived at on the following basis:

- Raw materials : On FIFO basis (net of Cenvat)
- Work-in-progress : On weighted average basis including direct factory overheads
- Finished goods : On weighted average basis, attributable overheads and Excise duty
- Stores and spares : On FIFO basis

(h) Foreign currency transactions:

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transactions.
- b. Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contracts is recognised as exchange difference and premium/discount on forward exchange contract is recognised over the life of the contract
- c. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

(i) Derivative Contracts:

Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the Company in accordance with the principle of prudence as enunciated in Accounting Standard 1 on 'Disclosure of Accounting Policies' provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any gains arising on such mark to market are not recognized as income.

(j) Employee Benefits:

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

i) Defined contribution Plan:

Contributions under Defined Contribution Plans in the form of Provident Fund are recognized in the

Statement of Profit and Loss Account in the period in which the employee has rendered the service.

ii) Defined Benefit Plan :

The Company's Liability towards Defined Benefit Plan in the form of Gratuity is funded through schemes administered by the Life Insurance Corporation of India (LIC). The liability determined on the basis of actuarial valuation being carried out at each Balance Sheet date using the Projected Unit Credit Method. The retirement benefit obligation recognised in the Balance Sheet represents the total of present value of the defined benefit obligation as reduced by unrecognised past service cost and the fair value of plan assets as at the balance sheet date. Any asset resulting from this calculation is restricted the present value of available refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss Account in the period of occurrence of such gains and losses. Past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognised immediately

(b) Short Term Employee Benefits:

Short-term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss Account of the period in which the related services are rendered.

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

(k) Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes

a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

(l) Income tax:

- a. Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates.
- b. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same

(m) Investments:

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

(n) Operating Leases

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

(o) Contingent Liabilities:

These, if any, are disclosed in the notes. Provision is made in the accounts if it becomes probable that any outflow of resources embodying economic benefits will be required to settle the obligation.

Note 3: Share Capital

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Authorised :		
60,000,000 Equity Shares of ₹ 10/- each	6,000.00	6,000.00
5,000 Preference Shares of ₹ 100/- each	5.00	5.00
	6,005.00	6,005.00
Issued, Subscribed and Paid-up :		
54,942,964 Equity Shares of ₹ 10/- each fully paid-up	5,494.30	5,494.30
Total	5,494.30	5,494.30

Notes:

- a) All Equity Shares carry similar voting rights and have an equal right to dividend and in case of repayment of capital.
b) Reconciliation of the number of shares outstanding as at beginning and end of the year:

(₹ in Lacs)

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity Shares			
Year ended 31 March, 2012			
- Number of shares	54,942,964	-	54,942,964
- Amount (₹) Lacs	5,494.30	-	5,494.30
Year ended 31 March, 2011			
- Number of shares	42,895,720	12,047,244	54,942,964
- Amount (₹) Lacs	4,289.57	1,204.73	5,494.30

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

(₹ in Lacs)

Class of shares / Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares of ₹ 10/- Each Fully Paid - up				
Dr. Kailash Gupta	12,645,780	23.02%	12,645,780	23.02%
Mr. Ajay Gupta	11,281,270	20.53%	11,281,270	20.53%
Mrs. Rekha Gupta	3,439,590	6.26%	3,439,590	6.26%
Tata Capital Growth Fund (I)	6,005,401	10.93%	6,005,401	10.93%
New York Life Investment Management India Fund (FV)	4,018,396	7.31%	6,561,074	11.94%

- d) Issue of Bonus Shares :

36,767,760 Equity Shares of ₹ 10/- each were issued as fully paid-up Bonus shares during the year ended 31st March, 2010, by capitalisation of Securities Premium Account and balance in Statement of Profit and Loss account.

- e) Conversion of Preference Shares :

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

Note 4: Reserves and Surplus

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Capital Reserve		
As per Last Balance Sheet	8.72	8.72
(b) Securities Premium Account		
As per Last Balance Sheet	12,837.80	-
Add : Received on issue of Equity Shares through Initial Public Offer (IPO)	-	14,095.28
Less : IPO related Expenses	-	1,257.48
Closing balance	12,837.80	12,837.80
(c) General Reserve	9.80	9.80
(d) Balance in Statement of Profit and Loss		
Opening Balance	3,378.95	2,809.01
Add: Profit for the year	4,080.19	569.94
Closing balance	7,459.14	3,378.95
Total	20,315.46	16,235.27

Note 5: Long-term Borrowings

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Secured		
a) From Banks		
Term Loan	11.53	26.62
Vehicle Loan	0.26	4.75
External Commercial Borrowing (ECB)	2,957.10	-
b) From Others		
Vehicle Loan	-	1.46
Total	2,968.89	32.83

Nature of Security

a) Term Loan is secured by: -

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

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

b) Vehicle Loans are secured by: - Hypothecation of vehicles.

c) ECB Loan is secured by: -

Primary Security: - First charge on the entire fixed assets of the company, except on the Factory Land and Building situated at Richhai, Jabalpur.

Collateral Security: - Pari Passu second charge on the entire current assets of the company.

Terms of Repayment**a) Term Loan: -**

Term Loan is repayable in 84 monthly equal installments commencing 30/04/2006.

b) Vehicle Loans: -

Vehicle Loan from State Bank of India is repayable in 36 monthly equal installments from the date of disbursement i.e. 29/07/2010.

Vehicle Loan from Tata Capital Limited is repayable in 36 monthly equal installments from the date of disbursement i.e. 25/03/2010.

c) ECB Loan: -

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

Note 6: Deferred Tax Liability (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	796.68	129.22
Others	57.58	-
	854.26	129.22
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts and advances	-	5.89
Deductions under section 35D of Income-tax Act, 1961	-	8.02
	-	13.91
Net Deferred Tax Liability	854.26	115.31

Note 7: Other Long-term Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Security Deposits Received	58.18	15.29
Total	58.18	15.29

Note 8: Short-Term Borrowings

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
From Banks Secured		
Cash Credits Facilities	1,462.57	1,420.24
Working Capital Loans	4,633.87	3,142.98
Short Term Loan	2,010.94	-
Total	8,107.38	4,563.22

Nature of Security

Cash Credit Facilities, Working Capital Loans and Short Term Loans are secured by either one or more of the following as per terms of Arrangement with respective banks:

Primary Security:

First charge on Pari -passu basis on entire current assets of the company.

Collateral Security:

- a. First Pari-Passu charge by way of extension of Equitable Mortgage of factory land and building and hypothecation of plant and machineries situated at Plot Nos. 21, 22, 33 and 34 at Industrial Estate, Richhai, Jabalpur
- b. First Pasi-Passu charge on movable fixed assets of the Company
- c. Equitable Mortgage of flat no. 14,5,2,3,6,7,9,10,8 Mouza Hathital, Gorakhpur, Jabalpur.
- d. Equitable Mortgage of Property situated at Block No.36, Plot No.2/29, Pachpedi, South Civil Lines, Jabalpur standing in the name of Shri Arun Gupta
- e. First and exclusive charge on the following Fixed assets of the Company situated at lease hold / free hold land by way of Hypothecation of :-
 - Plot Nos. (Nos. to be allotted) at Industrial Estate, Richhai, area- 105000 sq.feet, Jabalpur (lease hold)
 - Plot No.133/2 (New no.169) at Udaipura, area- 15.92 acres, Dist: - Mandla.(free hold)
 - Sector -3, Plot no. 690-693, 751-756 at MPAKVN Growth Centre, Phase-III, area 8.67 acres, Pithampur, Distt-Dhar. (lease hold)
- f. First and exclusive charge on Fixed Assets of the propped Railway Project of the Company at Imlai, Jabalpur.
- g. Personal guarantees of two directors and their relatives.
- h. Corporate Guarantee of group concerns

Note 9: Trade Payables

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2012	31st March, 2011
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 34)	8.20	9.71
Total outstanding of other than Micro Enterprises and Small Enterprises	6,892.21	5,783.59
Total	6,900.41	5,793.30

Note 10: Other Current Liabilities

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2012	31st March, 2011
(a) Current maturities of long-term debt (Refer Note (i) below)	21.05	15.94
(b) Interest accrued but not due on borrowings	19.04	0.16
(c) Interest on Forward Currency Contract accrued but not due	19.25	
(d) Other payables		
(i) Statutory Liabilities	570.24	160.65

(ii) Payables on purchase of fixed assets	878.44	166.05
(iii) Advances from customers	66.92	40.32
Total	1,574.94	383.12

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

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Secured From Banks		
Term Loans	15.10	10.97
Vehicle Loan	4.49	3.65
External Commercial Borrowings	-	-
	19.59	14.62
From Others		
Vehicle Loan	1.46	1.32
Total	21.05	15.94

Note 11: Short-term Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Provision for Employee Benefits:		
(i) Provision for Compensated Absences	39.81	45.44
(ii) Provision for Gratuity (net) (Refer Note 35 b)	8.83	11.88
	48.64	57.32
(b) Other Provisions		
(i) Provision for Income-tax (Net of Advance Tax)	415.96	9.19
Total	464.60	66.51

Note: 12 Fixed Assets

Particulars	As at 01/04/2011	Additions	Deductions	As at 31/03/2012	Up to 01/04/2011	For The year	Deductions / Adjust- ment	Up to 31/03/2012	As at 31/03/2012	As at 31/03/2011	(₹ in Lacs)
(i) Tangible Assets											
Land											
Leasehold Land	133.01	-	-	133.01	13.47	4.43	-	17.90	115.11	119.55	
Free Hold Land	324.37	310.94	-	635.31	-	-	-	-	635.31	324.37	
Buildings											
Factory Building	1,174.92	3,210.43	24.34	4,361.01	315.60	102.27	3.18	414.69	3,946.32	859.32	
Non Factory Building	15.49	-	-	15.49	10.12	0.54	-	10.66	4.82	5.36	
Residential Flat	6.39	-	-	6.39	5.43	0.05	-	5.48	0.91	0.95	
Plant And Machinery	3,752.08	10,521.65	-	14,273.73	959.93	467.05	(0.68)	1,427.66	12,846.07	2,792.15	
Electrical Installations	129.88	25.86	9.55	146.19	55.36	15.64	1.74	69.26	76.93	74.52	
Furniture and Fixture	31.10	22.50	4.89	48.71	17.49	8.65	0.62	25.52	23.18	13.60	
Office Appliances, Canteen & Other Equipments	34.78	20.52	1.64	53.66	18.86	7.66	0.33	26.19	27.47	15.92	
Vehicles	77.84	24.47	-	102.31	42.53	11.17	-	53.70	48.60	35.31	
Computers	77.70	18.55	2.58	93.67	62.13	12.84	1.47	73.50	20.17	15.56	
Total (A)	5,757.56	14,154.92	43.00	19,869.48	1,500.94	630.30	6.66	2,124.58	17,744.90	4,256.62	
Previous Year	3,630.48	2,145.09	18.02	5,757.56	1,140.55	377.80	17.41	1,500.94			
(ii) Intangible Assets											
Computer Software	22.71	2.50	-	25.21	14.16	6.93	-	21.10	4.11	8.54	
Total (B)	22.71	2.50	-	25.21	14.16	6.93	-	21.10	4.11	8.54	
Previous Year	17.71	5.00	-	22.71	6.71	7.45	-	14.16			
(iii) Capital Work In Progress (C)											
Total (A+B+C)									5,394.22	3,081.59	
									23,143.23	7,346.75	

Notes :

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

Note 13: Non-current Investments

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Other Investments (at Cost unless stated otherwise)		
Investment in Equity Shares of Associates (Quoted)		
30,000 Equity Shares of Tirupati Services Ltd. of ₹ 10/- each fully Paid-up (Refer Note 2(i) below)	-	0.76
Nil (Previous Year 112,575) Equity Share of Kailash Auto Finance Limited of ₹ 10/- each fully Paid-up	-	7.21
Less: Provision for diminution in value of investments	-	3.83
	-	3.38
Investment in Equity Shares of Associates (Unquoted)		
30,000 Equity Shares of Tirupati Services Ltd. of ₹ 10/- each fully Paid-up (Refer Note 2(i) below)	0.76	-
62,920 Equity Share of Kailash Motors Finance Limited of ₹ 100/- each fully Paid-up	62.92	62.92
Less: Provision for diminution in value of investments	15.75	15.75
	47.17	47.17
1,000 Equity Share of Kailash Motors Pvt. Ltd. of ₹ 10/- each fully Paid-up	0.10	0.10
Nil (Previous Year 260,000) Equity Shares of Sionara Foods Ltd. of ₹ 10/- each fully Paid-up	-	2.60
Less: Provision for diminution in value of investments	-	2.60
	-	-
120,000 Equity Shares of Tirupati Equipments Pvt Ltd. of ₹ 10/- each fully Paid-up	12.00	12.00
Total	60.03	63.41

1) Aggregate amount of Quoted Investments

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cost	-	7.97
Market Value*		

* Market Value is not available in absence of market quote.

2) Aggregate Amount of Un-quoted investments

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cost	75.78	59.27

- i) Tirupati Services Limited, which was earlier listed on Kanpur and Delhi Stock Exchange, got delisted on 29/02/2012 and 15/03/2012 respectively from both the Exchanges and hence disclosed as Un-quoted.

3) Aggregate Amount Diminution in Value of Investments

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Total Amount of Diminution in Investments	15.75	22.18

Note 14: Long-term Loans and Advances

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good		
Capital advances	1,355.89	4,564.73
Security deposits	302.16	353.54
Staff Loans	4.86	6.12
Loans and advances to related parties (Refer Note below)	-	32.41
MAT credit entitlement	38.17	38.17
Total	1,701.08	4,994.97

Note: Loan and Advances in the nature of Loans given to Associates:

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Firms/ Companies in which any director is a partner/ Director: -		
Commercial Body Builders	-	32.41
Total	-	32.41

Note 15: Other Non-current Assets

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Term Deposits maturing after 12 months (Including Interest accrued ₹ 5.35 lacs (Previous Year ₹ Nil)) (Refer Note below)	145.12	-
Total	145.12	-

Note

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

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

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Current Investments (un-quoted)		
Investment in Mutual Funds:	-	-
Nil (Previous Year 5,000,000) Units of DSP Black Rock Fixed Maturity Plan (3 Months Series) of ₹ 10/- each	-	500.00
Nil (Previous Year 5,000,000) Units of ICICI Prudential Interval Fund (Quarterly) of ₹ 10/- each	-	500.00
Nil (Previous Year 5,000,000) Units of IDFC Fixed Maturity Plan (Half Yearly) of ₹ 10/- each	-	500.00
Nil (Previous Year 10,099,407) Units of Kotak Floater Long Term (Daily Dividend) of ₹ 10/- each	-	1,018.00
6,204.315 (Previous Year Nil) Units of HDFC Cash Management Fund Weekly Dividend of ₹ 10/- each	0.45	-
63,892.78 (Previous Year 7,352,946.50) Units of Reliance Medium Term Fund (Weekly Dividend) of ₹ 10/- each	8.41	1,255.28
Total	8.86	3,773.28

Note

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

Note 17: Inventories

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Raw materials	3,049.18	2,564.31
Work-in-progress	1,772.91	4,252.08
Stores and spares	116.99	77.70
Scrap	30.98	21.72
Total	4,970.06	6,915.81

Note 18: Trade Receivables

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<u>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</u>		
Unsecured, considered good	257.07	254.99
Unsecured, considered doubtful	2.44	2.29
	259.51	257.28
Other Trade receivables		

Unsecured, considered good	10,117.56	2,809.14
	10,377.07	3,066.42
Less: Provision	2.44	2.29
Total	10,374.63	3,064.13

Note: Trade Receivables include amounts due from:

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Firms/Companies in which any Director is a Partner/Director: -		
Commercial Body Builders	0.34	0.93
J. N. Auto Private Limited	102.66	6.55
Kailash Vahan Udyog Limited	1.31	0.64
Shivam Motors Private Limited	-	6.29
Total	104.31	14.41

Note 19: Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Cash on hand	12.46	8.44
(b) Balances with banks		
(i) In Current Accounts	208.30	642.95
(ii) In Term Deposit Accounts (Including Interest accrued ₹ 11.89 Lacs (Previous Year Rs. 62.76 Lacs))	345.07	1,945.00
(iii) In Overdraft Account	7.35	-
Total	573.18	2,596.39

Notes: -

1. Deposit receipts aggregating to ₹ 121.14 Lacs (previous Year ₹ 279.74 Lacs) are under lien with bank against performance guarantee and credit facilities from bank (Also refer Note 15).
2. Deposit receipts given as Earnest Money Deposits/Security Deposits aggregate to ₹ 224.91 lacs (Previous Year ₹ 90.95 lacs)
3. Term Deposits include deposits amounting to ₹ 261.90 lacs (Previous year ₹ 17.97 lacs) which have an original maturity of more than 12 months.
4. Balance with Scheduled Banks includes ₹ 2.29 lacs (Previous year ₹ 2,100.70 lacs) of unutilised monies raised by IPO.

Note 20: Short-term Loans and Advances

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good		
Loan to Employees	38.23	24.25
Inter-corporate deposits	1,500.00	-

Advances to Suppliers	214.06	865.24
Prepaid Expenses	31.24	25.39
Balances with Government Authorities	2,878.22	2,132.21
Advance Income-tax (Net of Provisions)	131.22	151.02
Statutory Dues paid under Protest (Refer Note 29 and 31)	905.64	671.94
Others		
Provident Fund Receivable	63.00	63.00
Accrued Income	0.62	11.36
	5,762.23	3,944.41
Unsecured, considered Doubtful		
Advances to Suppliers	21.53	15.87
Less: Provision	21.53	15.87
	-	-
Total	5,762.23	3,944.41

Note 21: Revenue from Operations

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sale of Manufactured Goods (Refer Note (i) below)	64,699.00	29,006.00
Sale of Services (Refer Note (ii) below)	116.78	527.84
Other Operating Revenues (Refer Note (iii) below)	557.40	457.47
	65,373.18	29,991.31
Less:		
Excise duty	18,509.60	8,317.63
Total	46,863.58	21,673.68

Note: (i) Sale of Manufactured Goods:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sale of Built Bodies	46,229.78	25,102.73
Other Component Sales	18,469.22	3,903.27
Total	64,699.00	29,006.00

(ii) Sale of Services:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Job Work Charges	116.78	527.84
Total	116.78	527.84

(iii) Other Operating Revenues:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sale of Scrap	379.38	194.60
Income from Transportation	168.74	262.87
Sales Tax Incentive Received	9.28	-
Total	557.40	457.47

Note 22: Other Income

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest Income (Refer Note (i) below)	140.40	112.87
Dividend income on Current Investments	51.92	123.84
Other non-operating income (Refer Note (ii) below)	34.80	48.77
Total	227.12	285.48

Note: (i) Interest Income Comprises:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest on bank deposits	135.96	60.12
Interest on loans and advances	2.72	49.49
Interest on Income-tax Refund	-	2.25
Interest on other deposits	1.72	1.01
Total	140.40	112.87

(ii) Other Non-operating Income comprises:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Rental income	4.28	4.30
Profit on sale of fixed assets	-	0.28
Share of loss in Joint Venture transferred (Refer Note 32)	-	32.00
Provisions for diminution of investments written back	6.43	-
Provisions for Doubtful debts written back	1.17	-
Liabilities / provisions no longer required written back	0.45	-
Miscellaneous income	22.47	12.19
Total	34.80	48.77

Note 23a: Cost of Materials Consumed

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Opening stock	2,642.01	2,719.89
Add: Purchases	32,959.62	17,995.67
	35,601.63	20,715.56
Less: Closing stock	3,166.16	2,642.01
Cost of Material Consumed	32,435.47	18,073.55
Material consumed comprises:		
Iron and Steel (Sheets and Components)	22,763.12	13,186.83
Hydraulic Jacks	5,930.45	2,482.11
Other items	3,741.90	2,404.61
Total	32,435.47	18,073.55

Note 23b: Changes in Inventories of Finished Goods, Work-in-Progress and Scrap

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Inventories at the end of the year:		
Work-in-progress	1,772.91	4,252.08
Scrap	30.98	21.72
	1,803.89	4,273.80
Inventories at the beginning of the year:		
Work-in-progress	4,252.08	2,611.78
Scrap	21.72	11.63
	4,273.80	2,623.41
Net decrease/(increase)	2,469.91	(1650.39)

Note 24: Manufacturing Expenses

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Labour charges	1,136.01	838.49
Power and fuel	359.19	189.47
Repairs and maintenance :		
Machinery	74.80	95.68
Buildings	33.65	11.53
Others	108.89	77.28
Excise duty	183.24	2.03
Total	1,895.78	1,214.48

Note 25: Employee Benefits Expense

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Salaries and wages	1,275.39	908.63
Contributions to provident and other funds	76.03	74.50
Staff welfare expenses	144.30	69.01
Total	1,495.72	1,052.14

Note 26: Finance Costs

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(a) Interest expense on:		
(i) Borrowings	607.15	679.64
(ii) Others		
-On Vendor financing	114.77	59.68
-On Statutory Payments	94.91	64.96
-On Loan to sister Concern	-	11.42
Less: - Interest capitalised (Refer Note 40)	(18.93)	-
	797.90	815.70
(b) Other borrowing costs		
Expenses for loan arrangement, bill discounting and bank charges	526.46	111.19
Less: - Capitalised (Refer Note 40)	(392.72)	0.00
	133.74	111.19
Total	931.64	926.89

Note 27: Other Expenses

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Rent including lease rentals	50.00	69.76
Insurance	15.11	13.35
Rates and taxes	49.52	62.38
Postage and Telephone Expenses	16.92	16.53
Travelling and conveyance	119.43	116.78
Vehicle Running Expenses	34.84	28.83
Printing and stationery	17.63	12.00
Freight Charges	268.54	351.99
Discount given	362.11	199.60
Sales Expenses	155.78	149.05
Security Charges	66.98	28.50

Donation	25.31	1.85
Legal and professional fees	179.53	136.60
Provisions for doubtful receivables/ short term-advances	6.98	1.17
Bad debts and advances written off	0.46	-
Loss on fixed assets written off	12.05	-
Share of Profit in Joint Venture transferred (Refer Note 32)	79.33	-
Non current-Investments written off	2.60	-
Loss on Sale of Non current-Investments	3.83	-
Exchange Rate Fluctuation	2.71	-
Miscellaneous Expenses	77.13	41.74
Total	1,546.79	1,230.13

Note (i) Payment to Auditors (Excluding Service Tax)

(₹ in Lacs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Audit Fees - Statutory audit	13.00	11.00
Out of Pocket Expenses	0.32	0.35
Any other matters (Certification etc.) *	2.00	33.00
Total	15.32	44.35

* ₹ 33 lacs in the previous year relate to IPO related certification and has been adjusted as IPO related expenses from Securities Premium Account in the previous year.

Note 28: Capital Commitments

The estimated amount of contracts remaining to be executed on capital account, and not provided for (net of advances) as at 31st March 2012 aggregate to ₹ 1,022.30 Lacs (Previous Year - March 31, 2011 ₹ 8,680.70 Lacs) (including in respect of Joint Venture Nil (Previous year ₹ 130.09).

Note 29: Contingent liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Disputed demands of following authorities:		
Income-tax	26.21	19.68
Excise duty (₹ 19.41 Lacs (Previous Year ₹ 19.41 lacs) paid under protest) (Also Refer note below)	4,955.86	4,663.64
Sales tax (₹ 27.51 lacs (Previous Year ₹ 7.70 lacs) paid under protest)	138.78	77.03
Employees State Insurance Corporation	-	0.96
(The Company has contested these demands before various authorities and is hopeful of success in the respective matters)		
b) Bank Guarantee (Given as performance guarantee)	465.84	436.05
c) Letters of Credit (L/C)	996.66	1,280.83
Total	6,583.35	6,478.19

Note:

Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1.03.2007, the Company has started paying differential Excise Duty on sales made to a customer (which is the subject matter of dispute in the aforesaid demands) since September'2010 under protest. The aggregate of such payment made under protest up to the year-end amounts to ₹ 238.62 Lacs (Previous year - ₹ 38.68 lacs). The same has been adjusted against unutilized CENVAT balance of the said customer lying with the Company based on the instructions received from the customer.

Note 30:

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

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Lease rent for Factory Land	4.19	4.19

Future Minimum Lease Payments under Non-Cancellable Operating Lease:

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Due not later than one year	4.19	4.19
Due later than one year and not later than five year	16.76	16.76
Due later than five year	109.70	113.90

Note 31:

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

The Company has already deposited Entry tax aggregating to ₹ 858.71 Lacs (Previous year - ₹ 606.15 Lacs) including interest ₹ 1.47 lacs (Previous year - ₹ 1.47 Lacs) for the period from April 2007 to Dec 2011 to the authorities, under protest (included in Note 20: 'Short Term Loans and Advances'). Balance amount of Entry tax payable for the period from January, 2012 to March 2012 aggregates to ₹ 118.30 Lacs, which will be deposited subsequently, under protest.

The Supreme Court has transferred the above SLP to a Higher Bench before the Chief Justice of the Supreme Court of India for decision, which is pending. The Company is hopeful that the matter will be decided in its favor and hence no provision for the above is required in the accounts at this stage.

Note 32:

The Company has an agreement with a party for the purpose of engaging into a Jointly Controlled Operations (JCO) to manufacture market and sell fabricated automobile bodies and components to Original Equipment Manufacturers and to other customers, at Jamshedpur. As per the agreement, the Company and the other venture have agreed to share the distributable cash flow from the JCO after paying all taxes in the ratio of 60:40 respectively. In addition to the above, the

Company is required to pay a fixed sum for grant of license to use the factory premises of the other venture for the purposes of the operations as follows:

In year 1 – ₹ 300,000 per month

In year 2 – ₹ 315,000 per month

In year 3 – ₹ 330,750 per month

Accordingly, 40% share of profit from the operations for the year ended March 31, 2012 of ₹ 79.33 Lacs (Previous Year- loss of ₹ 32 Lacs) have been transferred to the joint venture partner and disclosed as “Other expenses” in Note 27.

Note 33:

A) CIF Value of Imports

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Capital Goods	-	0.27

B) Expenditure in foreign currency

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Foreign Traveling	26.69	33.34
Professional and Consultancy fees	12.65	-
Total	39.34	33.34

C) Value of material consumed including stores and spares

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Imported	-	-
Indigenous	32,435.47	18,073.55
Total	32,435.47	18,073.55

Note 34:

As per the information available with the company, the following are the details of dues to the creditors who have confirmed their registration under the Micro, Small and Medium Enterprises Development Act, 2006. (MSMED Act)

- i) Dues remaining unpaid as at the year-end
 - Principal - ₹ 8.20 Lacs (Previous Year ₹ 9.71 Lacs)
 - Interest - ₹ 14.70 Lacs (Previous Year ₹ 13.51 Lacs)
- ii) Interest paid in terms of Section 16 of the MSMED Act - ₹ Nil (Previous Year - ₹ Nil)
- iii) Amount of interest due and payable for the year of delay in making Payments - ₹ 1.19 Lacs (Previous Year ₹ 1.05 Lacs)
- iv) Amount of interest accrued and remaining unpaid as at the year-end - ₹ 14.70 Lacs (Previous Year ₹ 13.51 Lacs)

v) Amount of interest due and payable on previous year's outstanding amount - ₹.13.51 Lacs. (Previous Year ₹ 12.46 Lacs)

Note 35:

(a) Contributions are made to Provident Funds which covers all regular employees. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 64.85 Lacs (Previous year ₹ 67.36 Lacs).

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

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

Amount recognized in Balance sheet

	(₹ in Lacs)	
Particulars	31st March, 2012	31st March, 2011
Present Value of Funded Obligations	130.12	122.19
Fair Value of Plan Assets	(121.29)	(110.32)
Net Liability	8.83	11.87
Amounts in the Balance Sheet		
Liabilities	8.83	11.87
Assets	-	-
Net Liability/(Asset)	8.83	11.87

Expense recognized in Statement of Profit and Loss Account

	(₹ in Lacs)	
Particulars	31st March, 2012	31st March, 2011
Current Service Cost	17.37	12.68
Interest on Defined Benefit Obligation	11.33	8.80
Expected Return on Plan Assets	(8.42)	(7.17)
Net Actuarial Losses / (Gains) Recognized in year	(10.20)	(0.94)
Total, included in "Employee Benefit Expense"	10.08	13.37

Reconciliation of Benefit Obligations and Plan Assets for the period

	(₹ in Lacs)	
Particulars	31st March, 2012	31st March, 2011
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	122.20	96.42
Current Service Cost	17.37	12.68
Interest Cost	11.33	8.80
Actuarial Losses / (Gain)	(18.61)	4.29
Benefits paid	(2.17)	-
Closing Defined Benefit Obligation	130.12	122.19

Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	110.32	89.64
Expected Return on Plan Asset	8.42	7.17
Actuarial Gain / (Losses)	(8.41)	5.23
Contributions by Employer	13.12	8.27
Benefits paid	(2.17)	-
Closing Fair Value of Plan Assets	121.28	110.31

(c) Assumptions:

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Discount Rate (p.a.)	8.45 %p.a.	8.30 %p.a.
Expected Rate of Return on Assets (p.a.)	7.50% p.a.	7.50% p.a.
Salary Escalation Rate (p.a.)	7.00% p.a.	7.00% p.a.

(d) Experience Adjustments:

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Defined benefit/obligation	130.11	122.19	96.42	85.49	59.85
Plan Assets	121.29	110.32	89.65	61.44	53.87
Surplus/Deficit	(8.83)	(11.87)	(6.77)	(24.05)	(5.98)
Experience Adjustment on Plan Liabilities	(16.37)	4.29	2.84	3.90	9.37
Experience Adjustment on Plan Assets	(8.41)	5.23	1.66	1.44	0.06

Note 36:

The principal business of the Company is sheet metal fabrication and bodybuilding. All other activities of the Company revolve around its main business. Hence, there is only one reportable business segment as defined by Accounting Standard 17 – “Segment Reporting” (AS 17).

Note 37:

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

a) Names of related parties and description of relationship:

Sr. No.	Names of Related party	Nature of Relationship
1	Dr. Kailash Gupta	Key Management Personnel
2	Mr. Ajay Gupta	

3	Commercial Auto Centre	Associates
4	Commercial Automobiles Private Limited	
5	Commercial Body Builders	
6	Commercial Motors	
7	Commercial Toyota	
8	Kailash Motors Finance Private Limited	
9	Kailash Traders	
10	Commercial Motors Sales	
11	Shivam Motors Private Limited	
12	Kailash Auto Finance Limited	
13	Kailash Vahan Udyog Limited	
14	Tirupati Equipment Limited	
15	Kailash Auto Builders Private Limited	
16	J.N. Auto Private Limited (Unit Rekha Engineering)	
17	Jai Narayan Charitable Trust	
18	Kailash Motors	
19	Jashn Trust	

b) Transactions with Related parties

(₹ in Lacs)

Sr. No.	Particulars	Associates	Key Management Personnel	Total
1	Remuneration paid	- (-)	115.58 (121.96)	115.58 (121.96)
2	Commission paid	- (-)	95.60 (11.42)	95.60 (11.42)
3	Purchase of Capital goods	21.41 (-)	- (-)	21.41 (-)
4	Purchase of Raw Materials	2675.46 (1557.05)	- (-)	2675.46 (1557.05)
5	Interest received	2.44 (36.61)	- (-)	2.44 (36.61)
6	Interest Paid	- (11.42)	- (-)	- (11.42)
7	Miscellaneous Income	4.07 (4.23)	- (-)	4.07 (4.23)
8	Miscellaneous Expenses	- (-)	- (-)	- (-)
9	Sale of raw material	494.91 (48.89)	- (-)	494.91 (48.89)
10	Sale of Finished Goods	631.80 (1846.35)	- (-)	631.80 (1846.35)
11	Expenses reimbursed on others behalf	- (3.68)	- (-)	- (3.68)
12	Expenses reimbursed on our behalf	16.45 (11.56)	- (-)	16.45 (11.56)

13	Advance received back	- (-)	- (-)	- (-)
14	Loan given	- (20.72)	- (-)	- (20.72)
15	Loan Taken	- (1025.00)	- (-)	- (1025.00)
16	Advance Taken	41.45 (-)	- (-)	41.45 (-)
17	Repayment of Advance Taken	41.45 (58.81)	- (-)	41.45 (58.81)
18	Repayment of Loan Taken	- (1055.14)	- (-)	- (1055.14)
19	Repayment of Loan given	34.85 (579.55)	- (-)	34.85 (579.55)

Previous year's figures are given in bracket.

Out of the above items, transactions with fellow subsidiaries and Key Management Personnel in excess of 10% of total related party transactions are as under:

(₹ in Lacs)

Transaction		31st March, 2012	31st March, 2011
1	<u>Sale of Raw Material</u>		
	Kailash Vahan Udyog Ltd	0.20	0.01
	Shivam Motors Pvt. Ltd.	-	10.48
	Commercial Automobiles Pvt Ltd	0.74	38.40
	J.N. Auto Private Limited	491.57	-
	Commercial Automobiles Ltd-Ghana Workshop	2.40	-
2	<u>Remuneration</u>		
	Mr. Ajay Gupta	81.61	89.44
	Mr. Kailash Gupta	33.97	32.52
3	<u>Miscellaneous Income</u>		
	J.N. Auto Private Limited	3.29	3.42
	Kailash Vahan Udyog Ltd - Pune	0.48	-
	Commercial Automobiles Pvt Ltd	-	0.76
	Kailash Vahan Udyog Ltd – Bangalore	0.30	0.03
4	<u>Interest received</u>		
	Commercial Auto Centre	-	10.42
	Commercial Body Builders	2.44	3.81
	Kailash Auto Builders Pvt. Ltd.	-	7.66
	Kailash Auto Finance Pvt. Ltd.	-	0.05
	Kailash Vahan Udyog Ltd.	-	14.67
5	<u>Interest Paid</u>		
	Jashn Trust	-	11.42
6	<u>Purchase of Material</u>		
	Commercial Automobiles Pvt Ltd.-JBP	0.07	0.45
	Commercial Automobiles Pvt Ltd.- Ghana	14.53	-
	J.N. Auto Private Limited	2660.86	1556.60

7	<u>Expenses reimbursed on our behalf</u>		
	Commercial Automobiles Pvt Ltd.	0.67	9.96
	Kailash Vahan Udyog Ltd- Pune	0.15	0.47
	Kailash Motors	0.48	0.53
	Commercial Body Builders	0.60	0.60
	Commercial Automobiles Pvt Ltd. Car Workshop	3.38	-
	Commercial Automobiles Pvt Ltd. Ghana Workshop	10.47	-
	Kailash Vahan Udyog Ltd- Bangalore	0.15	-
	Commercial Toyota	0.32	-
	J.N. Auto Private Limited	0.12	-
	Shivam Motors Pvt. Ltd	0.11	-
8	<u>Expenses reimbursed on others behalf</u>		
	Commercial Automobiles Pvt. Ltd	-	0.34
	Shivam Motors Pvt. Ltd	-	2.75
	Kailash Vahan Udyog Ltd	-	0.59
9	<u>Commission paid</u>		
	Mr. Ajay Gupta	95.60	11.42
10	<u>Loan given</u>		
	Shivam Motors Private Limited	-	20.72
11	<u>Payment received against Loan given</u>		
	Shivam Motors Pvt Limited	-	-
	Commercial Automobiles Pvt Ltd	-	29.10
	Kailash Vahan Udyog Ltd	-	-
	Kailash Auto Builders Pvt. Ltd – Pune	-	245.06
	Kailash Auto Builders Pvt. Ltd – Kanpur	-	104.52
	Commercial Auto Centre	-	169.96
	Kailash Auto Finance Ltd	-	1.72
	Commercial Body Builders	32.41	29.19
12	<u>Loan Taken</u>		
	Jashn Trust	-	1025.00
13	<u>Loan Taken Repaid</u>		
	Jashn Trust	-	1025.00
	Commercial Automobiles Private Ltd.	-	30.14
14	<u>Advance Taken</u>		
	Commercial Automobiles Ltd-Ghana	0.45	-
	Commercial Automobiles Pvt Ltd. Car Workshop	41.00	-
15	<u>Repayment of Advance taken</u>		
	Shivam Motors Pvt. Ltd	-	15.61
	Commercial Automobiles Private Ltd.	-	30.20
	Commercial Toyota	-	13.00
	Commercial Automobiles Ltd-Ghana	0.45	-
	Commercial Automobiles Pvt Ltd. Car Workshop	41.00	-
16	<u>Purchase of Capital goods</u>		
	Commercial Automobiles Pvt. Ltd.	14.41	-
	Commercial Toyota	7.00	-
17	<u>Sale of Finished goods</u>		
	Shivam Motors Private Ltd.	257.71	84.73
	Commercial Automobiles Pvt Ltd	372.24	140.85
	J.N. Auto Private Limited	-	1620.77
	Commercial Automobiles Pvt Ltd. Ghana Workshop	1.85	-

c) Closing Balances

(₹ in Lacs)

Sr. No.	Particulars	Associates	Total
1	Receivables	104.31 (46.82)	104.31 (46.82)
2	Payables	13.18 (3.12)	13.18 (3.12)

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

Note 38:

In view of inadequacy of profits in the previous year, the Company had applied to the Central Government for approval of the remuneration paid to the Managing Director and Whole Time Director. The Company has received approval from the Central Government on 25th October, 2011 for payment of annual remuneration of ₹ 84 lacs to Mr. Ajay Gupta (Whole Time Director) and ₹ 32.52 lacs to Mr. Kailash Gupta (Managing Director) for 2010-11. Consequent to the approval, remuneration paid to Mr. Ajay Gupta for the year ended March 31, 2012 has been reversed by ₹ 16.86 lacs being excess remuneration paid for the year ended March 31, 2012.

Note 39:**Foreign Currency Balances**

a) Derivatives

Outstanding derivatives:

	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
	₹ in Lacs		In Foreign Currency	
For ECB Loan Principal only Swap	2,957.10	Nil	USD 6mn	Nil

- b) The mark to market gain of outstanding derivative contracts as at the year-end has not been recognised.
- c) The year-end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:

	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
	₹ in Lacs		In Foreign Currency	
Creditors (Net)	Nil	0.27	Nil	Euro 422.80

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

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
On conversion of ECB loan liabilities from USD to INR value	2.71	Nil

Note 40:

The Company during the year has availed External Commercial Borrowing (ECB) of USD 6mn (₹ 2957 lacs) for construction of new facility, for the purpose of manufacture of vehicle bodies in Jabalpur. Total capital expenditure (including Capital advances) incurred on the project till March 31, 2012 aggregates to ₹ 4659.61 lacs.

The borrowing costs attributable to the aforesaid project aggregating ₹ 411.64 lacs (Previous year ₹ Nil) incurred during the year have been carried forward under Capital work-in-progress in accordance with AS 16 on 'Borrowing Costs' (Refer Note 26).

Note 41:

Earnings Per Share is calculated as follows:

Particulars	(₹ in Lacs)	
	31st March, 2012	31st March, 2011
a. Net profit available for distribution to equity shareholders	4,080.19	569.94
b. Weighted average number of Equity Shares for Basic EPS (In nos.)	54,942,964	48,308,728
c. Weighted average number of Equity Shares for Diluted EPS (In nos.)	54,942,964	48,308,728
d. Nominal value of Equity Share (₹)	10	10
e. Earnings per share : Basic (in ₹) :	7.43	1.18
Diluted (in ₹)	7.43	1.18

Note 42:

In terms of the Initial Public Offering (IPO) of Equity Shares of the Company in the previous year, the utilization of the funds received in the IPO are as under:

Particulars	(₹ in Lacs)		
	Amount to be utilised as per Prospectus	Actual Utilisation till 31st March, 2012	Balance to be utilised *
Capital expenditure for Railway project	8,030.06	11,787.16	(3,757.10)
Prepayment of identified loan facilities	5,905.10	2,385.19	3,519.91
General Corporate Purpose	248.34	-	248.34
Total	14,183.50	14,172.35	11.15

Pending utilization as at 31st March 2012, the funds are temporarily invested/held in :

(₹ in Lacs)	
Mutual Funds	8.86
Bank Balances	2.29
Total	11.15

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

In the previous year, the expenses relating to the IPO aggregating to ₹ 1,257.48 lacs have been adjusted from the Securities premium account received on issue of Equity shares as above.

Note 43:

The Company has entered into following transactions during the previous year that require approval of the Central Government in terms of section 297 of the companies act, 1956.

(₹ in Lacs)

Name of the Party	Nature of transaction	Amount
Commercial Automobiles Private Limited	Sale of Built bodies/ Components	377.23
	Purchase of Component/ Accessories	14.60
	Purchase of Capital Good	14.41
Shivam Motors Private Limited	Sale of Built bodies/ Components	257.71

The Company has accordingly applied for approval of the Central Government in terms of section 297 for the above transactions which is awaited.

Note 44

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

(₹ in Lacs)

Sr. No.	Particulars	31st March, 2012	31st March, 2011
1	Loans and Advances in the nature of Loans to Firms/Companies in which directors are interested		
	Commercial Body Builders	-	32.41
	Maximum balance outstanding at any time during the year	34.85	61.60
	Commercial Auto Centre – Ghana	-	-
	Maximum balance outstanding at any time during the year		169.96
	Kailash Auto Builders Pvt. Ltd., Kanpur	-	-
	Maximum balance outstanding at any time during the year	-	104.52
	Kailash Auto Finance Ltd.	-	-
	Maximum balance outstanding at any time during the year	-	1.77
	Kailash Vahan Udyog Ltd.	-	-
	Maximum balance outstanding at any time during the year	-	245.06
	Shivam Motors Pvt. Limited	-	-
	Maximum balance outstanding at any time during the year	-	29.10
2	Others (Interest-free loans with no repayment schedule)		
	Employees	43.09	30.39
	Maximum balance outstanding at any time during the year	181.16	55.59

Note 45:

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

Signatures to Notes 1 to 45

In terms of our Report attached
For Deloitte Haskins & Sells
Chartered Accountants

A.B. Jani
Partner

Place : Jabalpur

Date : May 11, 2012

For and on behalf of the Board of Directors

Kailash Gupta
Chairman & Managing Director

Abhijit Kanvinde
Chief Financial Officer

Place : Jabalpur

Date : May 11, 2012

Ajay Gupta
Director

Anurag Misra
Company Secretary

Attendance Slip

Commercial Engineers & Body Builders Co Ltd

Registered Office: 84/105 A, G T Road, Kanpur-208 003

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

D.P. Id. Master Folio No. Client Id. *

Name and address of the shareholder: _____

No. of Share(s) held: _____

I/We hereby record my/our presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the company on 28th September, 2012 at 3:00 P. M. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208 003, (U.P.)

Signature of the shareholder or proxy _____

*Applicable for investors holding shares in electronic form.

..... cut along

Proxy Form

Commercial Engineers & Body Builders Co Ltd

Registered Office: 84/105 A, G T Road, Kanpur-208 003

D.P. Id. Master Folio No. Client Id. *

I/We _____ Of _____ Being a member/members of Commercial Engineers & Body Builders Co Ltd hereby appoint _____ of _____ or failing him _____ of _____ failing him _____ of _____ as my / our proxy to vote for me / us and on my / our behalf at the THIRTY SECOND ANNUAL GENERAL MEETING of the company to be held on 28th September, 2012 at 3:00 P. M. at Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur-208 003, (U.P.) or at any adjournment thereof.

Signed this _____ day of _____ 2012.

REVENUE
STAMP

*Applicable for investors holding shares in electronic form.

Affix Re. 1/-

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Kailash Gupta - Chairman Cum Managing Director
Shri Ajay Gupta - Whole Time Executive Director
Shri Sevantilal Popatlal Shah - Independent Director
Shri Arun Kumar Rao - Independent Director
Shri Sudhir K Vadehra - Independent Director
Shri Akhil Shri Prakash Awasthi - Non-Executive Nominee
Director
Shri Ravi Gupta - Independent Director

CHIEF EXECUTIVE OFFICER

Shri Ajay Gupta

CHIEF FINANCIAL OFFICER

Shri Abhijit Kanvinde

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Anurag Misra

REGISTERED OFFICE

84/105-A, G. T. Road,
Kanpur Mahanagar
Kanpur - 208 003
Uttar Pradesh, India

CORPORATE OFFICE

124, Napier Town
Jabalpur - 482001
Madhya Pradesh, India.
T +91 - (0)761- 245 1941 - 43

STATUTORY AUDITORS

Deloitte Haskins & Sells,
Chartered Accountants,
12, Dr. Annie Besant Road, Opp Shiv Sagar Estate,
Worli, Mumbai - 400018.
Tel : +91 022 6667 9000

INTERNAL AUDITORS

Samir Jain & Associates,
Chartered Accountants,
859, Machharhai, Behind Bank Of India,
Lordgunj, Jabalpur (Mp)

BANKERS

State Bank Of India
Hsbc Limited
Hdfc Bank Limited
Axis Bank Limited

SHARE REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Pvt Limited
Plot.No.17 To 24, Vithalrao Nagar,
Madhapur, Hyderabad - 500 081, India.
Phone:+91 40 4465 5190

PLANT LOCATIONS

CEBBCO I

21-22, 33-34 Industrial Area, Richhai
Jabalpur - 482 010.
Madhya Pradesh, India.

CEBBCO II

Nh 12a, Vill-Udaipura
Teh. Niwas, District Mandla
Madhya Pradesh - 481 661, India.

CEBBCO III

690 To 693 & 751 To 756 Sector Iii
Industrial Area , PithampUr, District Dhar
Madhya Pradesh, India.

CEBBCO IV

Industrial Area, Richhai,
Jabalpur, Madhya Pradesh - 482 010, India.

CEBBCO V

Plot No. 742, Asangi Phase Area, Saraikela ,
Jharkand - 932 109, India.

CEBBCO VI

Vill- Imlai
Nr. Deori Railway Station
Panagar, Jabalpur,
Madhya Pradesh, India

R & D CENTRE

CEBBCO I

21-22, 33-34 Industrial Area, Richhai
Jabalpur - 482 010
Madhya Pradesh, India.

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