B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Commercial Engineers and Body Builders Co Limited**

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

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

Material Uncertainty Related to Going Concern

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

Our opinion is not modified in respect of this matter.

Commercial Engineers & Body Builders Co. Ltd.

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Other Matter

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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

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

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

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

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

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

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

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the goods sold by the Company. Accordingly, para 3(vi) of the Order is not applicable.

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

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

(INR In Lakhs)

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

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

(INR In Lakhs)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved*	Amount Paid under Protest
Central Excise Act, 1944	Excise Duty	AC, Jabalpur	April 2009- June 2009	14.37	-
		CEC, Jabalpur	April 2008-April 2016	1,217.95	400.00
		CEC, Jamshedpur	December 2010-April 2018	192.87	-
		CEC, Pithampur	Oct 2012- Feb 2014	8.94	-
		High Court, Madhya Pradesh	July 2008 - August 2009	2,047.00	-
		CESTAT, New Delhi	Oct 2009- March 2014	1,374.24	107.60
		CESTAT, Kolkata	April 2011-March 2015	3.54	0.53
		Commissioner (Appeals), Bhopal	Sep 2010 April 2014 to Dec 2014	35.60	-
MP Commercial Tax Act,1994	Value Added Tax	Appellate Board, Bhopal	F Y 2007-08	64.41	18.03
		Appellate Board, Bhopal	F Y 2008-09	63.35	17.78
		Supreme Court	F Y 2012-13	1,406.50	-
MP Entry Tax Act, 1976	Entry Tax	Appellate Board, Bhopal	F Y 2009-10	30.89	8.65
Central Sales Tax Act,1956	Central Sales Tax	Appellate Board, Bhopal	F Y 2007-08	11.02	3.09
		Appellate Board, Bhopal	F Y 2010-11	29.77	28.29
		Additional Commissioner, Jabalpur	F Y 2012-13	6.11	2.81
Jharkhand VAT Act, 2005	Value Added Tax	Dy. Commissioner of Commercial Taxes, Adityapur Circle, Jamshedpur	April 2011 to March 2012	217.20	-
		Dy. Commissioner of Commercial Taxes, Adityapur Circle, Jamshedpur	April 2012 to March 2013	63.97	-

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Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved*	Amount Paid under Protest
Income Tax Act, 1956	Income Tax	CIT (Appeals), Kanpur	A.Y. 2012-13	15.93	-
		CIT (Appeals), Kanpur	A.Y. 2013-14	594.65	-
		CIT (Appeals), Kanpur	A.Y. 2014-15	-	-
		CIT (Appeals), Kanpur	A.Y. 2015-16	-	-

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

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

(INR In Lakhs)

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

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

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

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

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

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

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

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

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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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Commercial Engineers and Body Builders Co Ltd.
Balance Sheet as at 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

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

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 39779)

Place: Pune
Date: 25 May 2018

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For Commercial Engineers & Body Builders Co. Ltd.
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Commercial Engineers and Body Builders Co Ltd.
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

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

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 39779)

Place: Pune
Date: 25 May 2018

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For Commercial Engineers & Body Builders Co Ltd
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Commercial Engineers and Body Builders Co Ltd.
Cash flow statement for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Loss before tax	(3,691.27)	(3,360.28)
Adjustments for :		
Depreciation and amortisation	1,035.23	1,035.80
(Profit) on sale of property, plant and equipment / discarded assets	(17.43)	(11.00)
Provision for doubtful debt and advances	244.02	58.33
Liabilities / provisions no longer required written back	(73.28)	-
Interest income	(31.51)	(18.11)
Finance cost	2,777.96	2,730.34
Operating cash flow before working capital changes	263.72	238.08
Changes in assets and liabilities		
(Increase)/ decrease in inventories	(229.25)	282.29
Decrease/ (increase) in trade receivables, financial assets and other assets	914.23	(760.81)
(Decrease)/ increase in trade payables, financial liabilities and other liabilities	(1,154.45)	819.83
Increase in provisions	133.02	7.89
Cash generated from operations	(72.73)	580.28
Income-taxes paid	(2.28)	(14.45)
Net cash provided by operating activities (A)	(75.01)	565.83
Cash flow from investing activities		
Purchases of property, plant and equipment	(25.32)	(28.30)
Proceeds from sale of property, plant and equipment	22.05	11.00
Interest received	9.65	21.62
Net cash used in investing activities (B)	6.38	4.32
Cash flow from financing activities		
Proceeds from Current Borrowings	700.00	1,115.30
Repayment of Current Borrowings	(170.00)	(1,214.47)
Proceeds from Non Current Borrowings	-	3,200.00
Repayment of Non Current Borrowings	-	(2,008.63)
Finance cost paid	(170.29)	(1,624.81)
Net cash (used)/provided in financing activities (C)	359.71	(532.61)
Net Cash Flows [increase/(decrease)] during the year (A+B+C)	291.07	37.54
Cash and cash equivalents at the beginning of the year	42.77	5.23
Cash and cash equivalents at the end of the year	333.84	42.77
Components of cash and cash equivalent		
Balances with scheduled banks:		
- Current accounts	329.43	42.27
- Deposits with original maturity of less than three months	-	-
Cash on hand	4.41	0.50
Cash and cash equivalents at the end of the year	333.84	42.77

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows"

2. Amendment to Ind AS 7: Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of these standalone financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. Refer note 21(iii)

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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

P.V. Gurav
Director
(DIN: 02081217)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 29779)

Place: Pune
Date: 25 May 2018

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Commercial Engineers and Body Builders Co Ltd.
Statement of Changes in Equity for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital

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

B. Other equity

Particulars	Equity component of compound financial instrument (Note 18)	Reserve and surplus (1)				Total
		General reserve	Capital reserve	Securities Premium account	Surplus in Statement of Profit or loss	
Balance as at 1 April 2016	899.34	9.80	8.72	12,837.80	(18,721.37)	(4,965.61)
Loss for the year	-	-	-	-	(3,560.28)	(3,560.28)
Other comprehensive income / (expense) for the year	-	-	-	-	(0.18)	(0.18)
Balance as at 31 March 2017	899.34	9.80	8.72	12,837.80	(22,281.73)	(8,526.07)
Balance as at 1 April 2017	899.34	9.80	8.72	12,837.80	(22,281.73)	(8,526.87)
Loss for the year	-	-	-	-	(3,691.37)	(3,691)
Other comprehensive income / (expense) for the year	-	-	-	-	5.32	5.32
Balance as at 31 March 2018	899.34	9.80	8.72	12,837.80	(25,967.68)	(12,212.02)

Notes:

1 Refer note 16 for nature and purpose of these reserves

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

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

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 19779)

Place: Pune
Date: 25 May 2018

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Commercial Engineers & Body Builders Co. Ltd.

1.1 Corporate Information

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

1.2 Basis of preparation

a) Statement of Compliance

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

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

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

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

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

b) Functional and presentation currency

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

c) Basis of measurement

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

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

d) Use of estimates and judgements

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

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

Judgements

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

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

Assumptions and estimation uncertainties

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

- Note 2 (g)(iii) and 40- measurement of defined benefit obligations: key actuarial assumptions
- Note 2 (b) - measurement of useful lives and residual values to property, plant and equipment
- Note 2 (c) - measurement of useful lives of intangible assets
- Note 1.2 (e) and 2(p) - fair value measurement of financial instruments and impairment thereon
- Note 2 (k) and 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources
- Note 2 (f) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2 (j) — impairment of non-financial assets

e) Measurement of fair values

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2. Significant accounting policies

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

a) Current and non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

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

Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Property, plant and equipment

<u>Recognition and measurement</u>

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

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

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

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

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

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

Transition to Ind AS

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

Subsequent expenditure

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of profit and loss as incurred.

Depreciation methods, estimated useful lives and residual value

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

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

(i) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
(ii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
(iii) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
(iv) Leasehold land is amortised over the primary lease period or the useful life, whichever is shorter.
(v) Freehold land is not depreciated

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

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

c) Intangible assets

Recognition and initial measurement

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

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

Transition to Ind AS

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

Subsequent expenditure

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

Amortisation

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

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

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

d) Inventories

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

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

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

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

e) Revenue recognition

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

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

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

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

Other Income

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

f) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

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

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognized in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

g) Employee benefits

i) Short-term benefits

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

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

ii) Defined contribution plans

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

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

The Company makes specific contributions to provident fund.

iii) Defined benefit plans

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

<u>Gratuity</u>

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

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

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

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

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

h) Foreign currency transactions and translation

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

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

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

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

i) Finance expense

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

j) Impairment of non-financial assets

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

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

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

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

k) Provisions and contingent liabilities

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

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

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

l) Borrowings and borrowing cost

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

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

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

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

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

m) Leases

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

Where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

n) Segment reporting

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

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.
The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 36 for segment information.

o) Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.
When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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p) Financial instruments

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

i) Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Derecognition

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

Impairment

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

Write-off

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

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ii) Financial liabilities

<u>Recognition and initial measurement</u>

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

<u>Classification and subsequent measurement</u>

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

<u>Derecognition</u>

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

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

iii) Offsetting

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

q) Cash and cash equivalents

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

r) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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

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

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

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Cumulative catch - up approach - Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application

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

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

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

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

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Deemed cost as at 1 April 2016	1,743.52	97.41	5,412.01	8,032.55	7.99	7.34	232.47	15,533.29	200.39
Cost as at 1 April 2016	1,743.52	97.41	5,412.01	8,032.55	7.99	7.34	232.47	15,533.29	200.39
Add: Additions made during the year	-	-	-	19.97	-	0.12	4.49	24.58	-
Less: Disposals/ adjustments during the year	-	-	-	61.12	-	-	-	61.12	1.70
Balance as at 31 March 2017	1,743.52	97.41	5,412.01	7,991.40	7.99	7.46	236.96	15,496.75	198.69
Add: Additions made during the year	-	-	1.91	18.42	1.84	2.28	0.07	24.52	-
Less: Disposals/ adjustments during the year	-	-	-	6.41	-	-	-	6.41	0.25
Balance as at 31 March 2018	1,743.52	97.41	5,413.92	8,003.41	9.83	9.74	237.03	15,514.86	198.44
Accumulated depreciation									
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	
Add: Depreciation expense for the year	-	4.41	243.23	733.24	5.31	4.27	37.85	1,028.31	-
Less: Disposals/ adjustments during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	4.41	243.23	733.24	5.31	4.27	37.85	1,028.31	-
Add: Depreciation expense for the year	-	4.46	250.30	739.15	2.36	2.53	36.43	1,035.23	-
Less: Disposals/ adjustments during the year	-	-	-	1.79	-	-	-	1.79	
Balance as at 31 March 2018	-	8.87	493.53	1,470.60	7.67	6.80	74.28	2,061.75	-
Net carrying amount									
As at 31 March 2018	1,743.52	88.54	4,920.39	6,532.81	2.16	2.94	162.75	13,453.11	198.44
As at 31 March 2017	1,743.52	93.00	5,168.78	7,258.16	2.68	3.19	199.11	14,468.44	198.69
As at 1 April 2016	1,743.52	97.41	5,412.01	8,032.55	7.99	7.34	232.47	15,533.29	200.39

Notes:

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

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

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

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

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

4. Intangible assets

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

Notes:
a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition, refer note 46.

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5. Non-current financial assets- Investments

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

6. Non-current financial assets- Loans

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

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

7. Other non-current assets

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

8. Inventories*
Valued at lower of cost and net realisable value

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw material (including in transit Nil (31 March 2017: INR 0.20 Lakhs & 1 April 2016: Nil))	419.45	357.56	451.25
Work in progress	439.74	272.41	419.41
Finished goods	-	-	30.77
Stores and spares	45.95	64.76	69.92
Scrap	21.38	2.53	8.20
	926.52	697.26	979.55

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

9. Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good*	685.04	1,569.89	1,233.63
Doubtful	1,701.72	1,645.82	1,627.43
	2,386.76	3,215.71	2,861.06
Less : Loss allowance for trade receivables (refer note 44(b))	1,701.72	1,645.82	1,627.43
	685.04	1,569.89	1,233.63
Total	685.04	1,569.89	1,233.63

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

10. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- On current accounts	329.43	42.27	3.91
Cash on hand (refer note 43)	4.41	0.50	1.32
Total	333.84	42.77	5.23

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

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

11. Bank balances other than cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed deposits with bank under lien	107.34	124.97	247.12
Total	**107.34**	**124.97**	**247.12**

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

12. Current financial assets- Loans

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

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

13. Current financial assets - Others

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Unbilled revenue	215.35	0.36	0.29
Interest accrued on term deposits	5.92	4.06	7.58
Other receivables	1.60	2.25	5.69
Doubtful			
Inter corporate deposits (refer note 47)	1,000.00	1,000.00	1,000.00
	1,222.87	1,006.67	1,013.56
Less: Loss allowance for inter corporate deposits	1,000.00	1,000.00	1,000.00
Total	**222.87**	**6.67**	**13.56**

Movement in expected credit loss allowance on inter corporate deposits

Opening balance	1,000.00	1,000.00	1,000.00
Add: Allowance measured at expected credit losses	-	-	-
Less: Utilisation during the year	-	-	-
Closing balance	1,000.00	1,000.00	1,000.00

14. Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Advance to suppliers	186.39	77.65	111.37
Balance with statutory/government authorities	1,156.87	1,734.66	1,767.56
Prepaid expenses	9.71	10.12	16.13
Debt Service reserve account	-	-	43.54
Excise duty refund claim	-	-	239.18
Sales tax incentive receivable (refer note 48)	496.64	496.64	496.64
Income tax receivable	59.83	64.93	60.48
Unsecured, considered doubtful			
Advance to suppliers	74.79	56.20	34.00
Provident fund receivable	63.00	63.00	63.00
Balance with statutory/government authorities	94.60	-	-
	2,141.83	2,903.20	2,831.90
Less: Provision for doubtful advances	232.39	119.20	97.00
Total	**1,909.44**	**2,784.00**	**2,734.90**

17. Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured loans			
Term loans from banks*	-	1,664.28	2,174.57
Term loans from others*	-	1,452.64	1,923.96
External commercial borrowing (ECB)*	-	710.13	1,837.81
Liability component of compound financial instrument	570.84	506.92	449.53
	570.84	4,333.97	6,385.99
Add: Current maturities of non-current borrowings*:			
Secured loans			
Term loans from banks	6,300.00	4,366.67	2,400.00
Term loans from others	2,559.60	1,063.08	671.59
External commercial borrowing (ECB)	3,322.12	2,334.92	1,552.73
Total non-current borrowings (including non-current maturities)	**12,752.56**	**12,098.64**	**11,010.31**

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

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

From banks:

Secured Borrowings:
i) Nature of Security

a) Corporate Loan is secured by :-

Primary Security- Equitable mortgage on certain properties of group concerns and promoter along with his relatives
Collateral Security -
Subservient charge without no objection certificate on entire fixed assets of the company, present and future.
Pledge of 26.74% shareholding of the promoters in the company.
Personal guarantee of Mr. Kailash Gupta, Mrs. Rekha Gupta and Mrs. Nandani Malpani.

b) ECB Loan : -

Primary Security: - Exclusive charge on all the moveable and immovable fixed assets, present and future, pertaining to unit at Dewas
Collateral Security: - Pari passu first charge on the remaining fixed assets of the company, present and future, along with WC lenders of the company, except for equipments which are exclusively and specially charged to Banks/Financial institutions.
Second pari passu charge on the entire current assets of the company, both present and future

c) Rupee Term Loan: -

Rupee Term Loan - INR 2,500 lakhs
Primary Security :- Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richhai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments which are exclusively and specifically charged to banks/financial institutions
Collateral Security: - Pari passu second charge on the entire current assets of the company, both present and future, except on specific equipments which are exclusively and specifically charged to Banks / Financial Institutions

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

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

Guarantee: -
Personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta

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

Guarantee: -
Personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta

d) Term Loans from Others : -

Primary Security: - Extension of First pari passu charge along with Axis Bank on
1. Factory land and building at Jamshedpur unit
2. Factory land and building situated at plot Nos. 21, 22 (area measuring 92,000 square feet) and Plot Nos. 33, 34 (area measuring 126,000 square feet) at industrial Estate, Richai, Jabalpur
Extension of second charge on all other fixed assets of the company along with Axis Bank and HDFC Bank
Collateral Security: - Pledge of 15,889,914 unencumbered shares of the Company held by Jashn Beneficiary Trust and Mr. Kailash Gupta.

Guarantee: -
1. Irrevocable and unconditional personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta
2. Irrevocable and unconditional personal guarantee of Mrs. Nandani Malpani to the extent value of shares (3,213,443 nos.)
3. Irrevocable and unconditional corporate guarantee of Jashn Beneficiary Tru

ii) Terms of Repayment

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

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

c) Rupee Term Loan: -
Rupee Term Loan - INR 2,400 lakhs
in 21 unequal monthly installment starting from 31 December, 2016 as under :-
1st - 3rd Installment INR 33.30 lakhs each
4th - 15th Installment INR 100 lakhs each
16th - 21st Installment INR 200 lakhs each
And it carries interest rate of 14.15% p.a

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

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

e) Term Loans from Others -
First Term Loan
Interest - it carries interest rate of 14.50% p.a. to be paid on monthly basis till maturity
Principal - 6 month moratorium starts from date of first tranche disbursement made in various installments from 16 December, 2014 to 25 February, 2015, thereafter payable in a structured manner as mentioned below:
1. Next 6 months : INR 25 lakhs per month
2. Next 12 months : INR 41.67 lakhs per month
3. Next 12 months : INR 50 lakhs per month

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

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(ii) Breach of loan covenant

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

Particulars		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
		Period of default	Amount	Period of default	Amount	Period of default	Amount
Corporate Loan							
	Principal	1-453 Days	600.00	1-90 Days	600.00	1-18 Days	300.00
	Interest	1-486 Days	143.67	1-121 Days	38.12	1-60 Days	77.07
Rupee Term Loan (INR [illegible] lakhs)							
	Principal	1-453 Days	2,500.00	1-90 Days	200.00		
	Interest	1-486 Days	329.63	1-121 Days	141.37	1-60 Days	86.14
Rupee Term Loan (INR [illegible] lakhs)							
	Principal	1-247 Days	1,000.00	-	-	-	-
	Interest	1-486 Days	199.81	1-121 Days	54.07	-	-
Rupee Term Loan (INR 2,700 lakhs)							
	Principal	1-154 Days	2,200.00	-	-	-	-
	Interest	1-486 Days	446.42	1-121 Days	124.15	-	-
External Commercial Borrowings (ECB)							
	Principal	1-514 Days	3,122.12	1-149 Days	778.31	1-52 Days	397.73
	Interest	1-514 Days	264.18	1-149 Days	93.29	1-52 Days	51.64
Other Term Loans from NBFC							
	Principal	1-758 days	2,559.60	1-393 Days	591.72	21-81 Days	129.00
	Interest	1-758 days	839.43	1-393 Days	331.23	1-31 Days	58.90

18. Other non-current financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	5.00	5.00	5.00
Total	5.00	5.00	5.00

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

19. Non-current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 40)			
- Gratuity	33.72	33.13	20.73
Total	33.72	33.13	20.73

20. Other non-current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Amount of duty refundable/ payable to customers*	3,388.55	3,290.36	2,419.44
Total	3,388.55	3,290.36	2,419.44

*Includes INR 2,692.11 lakhs (31 March 2017 : INR 2,646.47 Lakhs, 1 April 2016 : INR 1,715.49 Lakhs) pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has been availing Cenvat credit on chassis and has been paying Excise Duty on the Fully Built Vehicle (FBV). This amount represent the amount pertaining to unutilised cenvat credit payable to the customers

21. Current financial liabilities - Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured loans			
From banks			
Cash credit facilities	2,459.72	2,394.92	2,538.88
Unsecured loans			
From banks			
Loans repayable on demand	1,598.37	1,065.16	954.95
From others			
Loans and advances from related parties (refer note 41)	262.55	262.55	208.55
Loans from companies	200.00	248.00	270.51
Total	4,520.64	3,970.63	3,972.89

(i) Nature of Security

Cash Credit Facilities are secured by either one or more of the following as per terms of Arrangement with respective banks:

Primary Security:
Pari-passu first charge on the entire current assets of the company, both present and future

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

(ii) Breach of loan covenant

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Period of default	Amount	Period of default	Amount	Period of default	Amount
Cash Credit Facilities						
Principal	1-547 Days	2,459.72	1-182 Days	2,394.92	-	-
Interest	1-547 Days	305.59	1-182 Days	100.97	-	-
Working capital loans						
Principal	1-486 Days	1,008.37	1-131 Days	1,065.16	-	-
Interest	1-486 Days	209.82	1-131 Days	47.50	-	-

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(iii) Analysis of movement in borrowings

Particulars	As at 31 March 2017	Cashflows	Non cash changes			As at 31 March 2018
			Other changes	Foreign exchange movements	Fair value changes	
Non Current Borrowings (including current maturities)	12,298.64	-	259.92		115.82	12,592.56
Current Borrowings	3,970.63	530.00	20.01	-	-	4,520.64

22. Current financial liabilities- Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due to micro small and medium enterprises (refer note 42)	112.12	27.91	19.97
Due to others	2,447.14	3,521.64	3,357.81
Total	2,559.26	3,549.55	3,377.78

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

Notes:
a) It includes trade payable to related parties of INR 6.59 lakhs (31 March 2017: INR 6.59 lakhs, 1 April 2016: INR 6.91 lakhs)
b) For terms and conditions of trade payables owing to related parties, refer note 41

23. Other current financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital Creditors	94.06	94.75	99.84
Current maturities of long term borrowings (refer note 17)	12,126.51	7,964.69	4,624.31
Interest accrued but not due on borrowings	-	99.46	51.35
Interest accrued but not due on forward exchange contracts	-	-	29.28
Interest accrued and due on borrowings	3,294.96	1,094.30	282.56
Interest on statutory dues	17.77	95.82	17.30
Deposits from contractors and others	11.59	11.59	11.59
Employee benefits payable	72.43	76.42	100.60
Total	15,617.32	9,437.03	5,216.83

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

24. Other current liabilities

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

25. Current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits (refer note 40)			
- Gratuity	10.00	10.00	10.00
- Compensated absences	22.51	24.55	29.06
Provision for litigations	139.78	-	-
Total	172.29	34.55	39.06

Movement in provision for litigations

Opening balance	-	-	-
Add: Provision recognised during the year	139.78	-	-
Less: Utilisation during the year	-	-	-
Closing balance	139.78	-	-

26. Current tax liabilities (net)

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

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

15. Share capital

Authorised share capital

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

Equity shares of INR 10 each issued, subscribed and fully paid up

	Number of shares	Amount (INR)
As at 1 April 2016	54,942,964	549,429,640
Increase/(decrease) during the year	-	-
As at 31 March 2017	54,942,964	549,429,640
Increase/(decrease) during the year	-	-
As at 31 March 2018	54,942,964	549,429,640

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

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

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

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

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

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

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

-The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held.
-Preference shares are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry preferential dividend of 0.0001% per annum. These are redeemable only on completion of 10 years from the date of allotment and are non-transferable unless fully paid-up.

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

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

d) Details of call unpaid

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

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

16. Other equity

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

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

Nature and purpose of reserve

i. General reserve

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

ii. Capital reserve

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

iii. Securities premium reserve

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

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27. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Sale of load bodies and components	9,806.35	14,826.69
Sale of services		
Job work charges	28.40	84.42
Other operating revenue		
Sale of scrap	126.59	133.76
Others	2.62	6.92
Total	9,963.96	15,051.79

Product-wise particulars of sales

Sale of load bodies	9,658.96	14,778.18
Sale of components	147.39	48.51
	9,806.35	14,826.69

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

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

28. Other income

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

29. Cost of materials consumed

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

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30. Changes in inventories of finished goods and work-in-progress

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

31. Employee benefits expense

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

Refer note 40 for disclosure on gratuity.

32. Finance costs

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

33. Depreciation and amortisation expense

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

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34. Other expenses		For the year ended 31 March 2018	For the year ended 31 March 2017
Labour charges		490.35	565.82
Power and fuel		150.61	172.10
Repair and maintenance			
- Buildings		1.51	12.11
- Plant and machinery		31.37	26.08
- Others		28.36	26.25
Rent		7.21	9.26
Auditors' remuneration			
As auditors:			
- Audit fee		12.00	10.00
- Limited review fee*		7.50	8.00
- Out-of-pocket expenses		7.83	5.20
In other manner:			
-Certification and other services		-	4.00
Insurance		11.17	12.33
Rates and taxes		201.28	95.54
Postage and telephone expenses		6.52	8.52
Travelling and conveyance		27.89	43.25
Vehicle Running Expenses		16.40	15.33
Printing and stationery		4.12	4.91
Freight and transport		9.11	38.09
Sales expenses		35.79	23.11
Security charges		54.72	54.79
Legal and professional		46.90	91.29
Director sitting fees		4.60	6.85
Loss on sale of property, plant and equipment (net)		-	-
Donation		-	0.25
Irrecoverable balances written off	28.72		
Less : Allowance for doubtful debts and advances adjusted out of above	28.72	-	-
Allowance for doubtful debts and advances (net)		244.02	58.33
Miscellaneous expenses		32.11	33.23
Total		1,431.37	1,324.64

*includes fees of INR 2.50 lakhs (Previous year : INR 8 lakhs) paid to erstwhile auditors

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35. Income tax

A. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2018 and 31 March 2017:

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Rate	Amount	Rate	Amount
Loss before tax		(3,691.27)		(3,560.28)
Tax using the Company's domestic tax rate	26.000%	(959.73)	30.90%	(1,100.13)
Tax effect of:				
Non-deductible expenses	-24.90%	919.19	-19.33%	688.34
Non-taxable income	0.52%	(19.05)	0.00%	-
Unrecognised tax losses	-1.61%	59.60	-11.57%	411.79
Effective tax rate	0.00%	-	0.00%	-

B. Deferred tax assets/ liabilities

As at 31 March 2018, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have not been recognised. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets			Deferred tax liabilities			Net deferred tax assets/ (liabilities)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Property, plant and equipment	193.60	-	-	-	(610.40)	(1,032.89)	193.60	(610.40)	(1,032.89)
Provision for gratuity and compensated absences	17.22	20.91	18.48	-	-	-	17.22	20.91	18.48
Unabsorbed depreciation	2,821.44	3,033.29	2,304.02	-	-	-	2,821.44	3,033.29	2,304.02
Business loss	3,320.33	3,317.50	2,241.82	-	-	-	3,320.33	3,317.50	2,241.82
Provision for trade receivables and other advances	779.89	859.88	841.86	-	-	-	779.89	859.88	841.86
Total	7,132.48	7,231.58	5,406.18	-	(610.40)	(1,032.89)	7,132.48	6,621.18	4,373.29

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C. Movement of temporary differences

Particulars	As at 1 April 2016	Movement during 2016-17	Recognised in OCI during 2016-17	As at 31 March 2017	Movement during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018
Property, plant and equipment	(1,032.89)	422.49	-	(610.40)	804.00	-	193.60
Provision for gratuity and compensated absences	18.48	2.44	-	20.91	(3.69)	-	17.22
Unabsorbed depreciation	2,304.02	729.27	-	3,033.29	(211.85)	-	2,821.44
Business loss	2,241.82	1,075.68	-	3,317.50	2.83	-	3,320.33
Provision for trade receivables and other advances	841.86	18.02	-	859.88	(79.99)	-	779.89
Total	4,373.29	2,247.89	-	6,621.18	511.30	-	7,132.48

D. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
Expire Year	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Business Loss						
2021-22	3,492.34	908.01	3,492.34	1,079.13	3,492.34	1,079.13
2022-23	3,762.74	978.31	3,762.74	1,162.69	3,762.74	1,162.69
2023-24	1,790.56	465.54	1,790.56	553.28	1,790.56	553.28
2024-25	1,462.08	380.14	1,462.08	451.78	-	-
2025-26	713.98	185.63	-	-	-	-
Unabsorbed depreciation						
Never expire	13,583.71	3,531.77	11,844.45	3,659.94	9,816.46	3,033.29
	24,805.42	6,449.41	22,352.18	6,906.82	18,862.11	5,828.39

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36. Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors collectively who have been identified as Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The principal business of the Company is sheet metal fabrication and bodybuilding. All there activities of the Company revolve around its main business. Hence there is only one reportable segment

B. Geographical information

The Company's revenue from operations i.e. sheet metal fabrication and bodybuilding is located in India only. Hence, no additional disclosure about geographical information has been given.

C. Major customers

Revenue from customers of the Company's single segment which is more than 10 percent of the Company's total revenue are as follows:

Name of the Customer	For the year ended 31 March 2018	For the year ended 31 March 2017
Tata Motors Limited	1,258.81	4,407.02
Volvo Eicher Commercial Vehicle Limited	3,689.10	3,435.37
Man Truck India Pvt. Limited	1,325.39	1,175.81
Total	**6,273.30**	**9,018.20**

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37. Operating lease - As a lessee

The Company has entered into operating leases agreement for factory land for 30 years, which can be further renewed for an additional term of 10 years Escalations in lease rentals will be b around one quarter of the rent after every 10 years. The lease rental expense recognised in the Statement of Profit and Loss for the year in respect of cancellable and non-cancellable leases is INR 7.21 lakhs (31 March 2017: INR 9.26 lakhs). The future minimum lease expense in respect of non-cancellable leases is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payable within one year	5.40	5.06	5.06
Payable between one and five years	21.60	20.23	20.23
Payable later than five years	75.60	80.92	85.98
	102.60	**106.21**	**111.27**

38. Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax matters	610.58	620.25	21.62
Excise duty related to Rule10A matter*	-	-	-
Other Excise duty and Service tax matters {INR 0.53 Lakhs (Previous Year INR 9.13 Lakhs) paid under protest}	2,074.95	2,576.70	2,576.59
Sales tax and Entry tax matters {INR 78.66 Lakhs (Previous Year INR 71.10 Lakhs) paid under protest}	1,893.23	1,822.21	1,822.55
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	47.95	65.43	65.43
Total	**4,626.71**	**5,084.59**	**4,486.19**

1. The above matters are subject to legal proceedings in the ordinary course of business The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

2. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities

*Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has started paying differential Excise Duty on behalf of customer on sales made to them since September'2010 under protest The Excise department has issued demand notices in respect of this matter aggregating INR 2,819.55 Lakhs (31 March 2017 : INR 2,967.51 Lakhs, 1 April 2016 INR 2,967.51 Lakhs). The aggregate of total payment made under protest up to the year-end is INR 2692.11 Lakhs (31 March 2017 : INR 2,646.47 Lakhs, 1 April 2016 : INR 1,713.48 Lakhs). Since, the liability, if any in this regard is recoverable from the customer, there will be no impact on Statement of Profit and Loss as consequence of the outcome of this case.

B. Commitments

a. **Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 38.95 lakhs (31 March 2017: INR 39.48 lakhs, 1 April 2016: INR 116.10 lakhs).

b. **Other commitments:** The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

c. **Lease commitments:** Refer note 37 in respect of committement with regard to leases

39. Loss per share

Basic and diluted loss per share
Basic and diluted loss per share is calculated by dividing the loss during the year attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss after tax attributable to equity shareholders	(INR in lakhs)	(3,691.27)	(3,560.28)
Weighted average number of equity shares outstanding during the year	(in number)	54,942,964	54,942,964
Nominal value per share	INR	10.00	10.00
Basic and diluted loss per share	INR	(6.72)	(6.48)

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40. Employee benefits

During the year, the Company has recognized following amounts in the statement of profit and loss :

A. Defined Contribution plans
The Company has recognised the following amounts in the statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Employer's contribution to provident fund	19.78	22.95
Employer's contribution to employees' state insurance	3.70	3.82

B. Defined benefit plans

Gratuity:
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Company employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

The following table set out the status of the defined benefit obligation

	31 March 2018	31 March 2017	1 April 2016
Net defined benefit liability- Gratuity	43.72	43.13	30.73
Total employee benefit liabilities			
Non current	33.72	33.13	20.73
Current	10.00	10.00	10.00

For details about the related employee benefit expenses, refer note 38.

(i) Reconciliation of the net defined benefit liability
The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	87.52	87.83
Benefits paid	(11.86)	(16.50)
Current service cost	9.63	10.87
Interest cost	6.20	6.78
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(3.84)	5.79
- experience adjustments	(2.61)	(7.25)
Balance at the end of the year	**85.04**	**87.52**

(i) Reconciliation of the present value of plan assets
The following table shows a reconciliation from the opening balances to the closing balances for the plan assts

Particulars	31 March 2018	31 March 2017
Balance at the beginning of the year	44.40	57.10
Contributions paid into the plan	6.50	0.70
Benefits paid	(11.86)	(16.50)
Interest income	3.42	4.73
Actual return on plan assets recognised in other comprehensive income	(1.13)	(1.63)
Balance at the end of the year	**41.33**	**44.40**

ii) Expense recognized in profit or loss

Particulars	31 March 2018	31 March 2017
Current service cost	9.63	10.87
Interest cost	6.20	6.78
Interest income	(3.42)	(4.73)
	12.41	12.92

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iii) Remeasurements recognized in other comprehensive income

Particulars	31 March 2018	31 March 2017
Actuarial (gain) loss on defined benefit obligation	(6.45)	(1.46)
Return on plan assets excluding interest income	1.13	1.63
	(5.32)	0.17

iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2018	31 March 2017	1 April 2016
Financial assumptions (p.a.)			
Discount rate	7.75%	7.30%	7.95%
Future salary growth	7.00%	7.00%	7.00%
Expected return on Assets	7.50%	7.50%	7.50%
Demographic assumptions			
Retirement age	60 years	60 years	60 years

As at 31 March 2018, the weighted average duration of the defined benefit obligation was 9.70 years (31 March 2017 : 10.71 years)

v) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(2.04)	2.20	(2.22)	2.41
Future salary growth (0.50%)	2.21	(2.07)	2.40	(2.23)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

vi) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Year 1	5.92	5.21	5.08
Year 2	4.11	3.07	2.86
Year 3	7.22	4.22	3.38
Year 4	5.86	7.21	5.69
Year 5	7.99	5.11	10.87
Next 5 years	186.90	203.96	231.02

The Company expects to contribute INR 10 lakhs (Previous year : INR 10 lakhs) towards gratuity fund scheme in the next financial year.

C. Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

a) Interest risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Longitivity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employement. An increase in the life expectancy of the plan participants will increase the plan's liability.

c) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

41. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

Key managerial personnel

S. No.	Name	Designation
1	Mr. Kailash Gupta (Director upto 27 September 2017)	Non-Executive Promoter Director
2	Mr. Prabhakar Dalal (Upto 01 September 2017)	Non-Executive Independent Director
3	Mr. Abhishek Jaiswal	Executive Director (w.e.f 14 September 2017) & Chief Executive Officer (w.e.f 13 February 2017)
4	Mr. Amit Jain (From 17 February 2017)	Chief Financial Officer and Company Secretary
5	Mr. Prakash Y. Gurav	Non Executive Independent Director
6	Mr. M V Rajarao	Non Executive Independent Director
7	Ms. Vineeta Shriwani (From 26 March 2018)	Non Executive Independent Director

Enterprise over which key management personnel or their relatives are able to exercise significant influence

S. No.	Name
1	Commercial Automobiles Private Limited
1	Shivam Motors Private Limited
2	Anubha Engineering Limited
3	Kailash Infra tech Private Limited
4	Shubham Multi Services Private Limited
5	J.N. Auto Limited (Unit Rekha Engineering)
6	Kailash Motors Finance Private Limited
7	Narmada Autocare Services Private Limited
8	Commercial Automobiles Jabalpur Private Limited
9	Kailash Moser Industries Private Limited
10	Kailash Rolfo India Private Limited
11	Kailash Motors Private Limited
12	Commercial Motors Sales Private Limited
13	Kailash Motors

B. Transactions with related parties:

Enterprise over which key management personnel or their relatives are able to exercise significant influence

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of Raw Materials		
Commercial Automobiles Private Limited	-	0.29
Miscellaneous Income		
J N. Auto Limited (Unit Rekha Engineering)	-	2.09
Sale of Raw Material		
Commercial Automobiles Private Limited	-	3.09
Sale of finished goods		
Commercial Automobiles Private Limited	1,025.85	350.53
Reimbursement of expenses		
Commercial Automobiles Private Limited	0.41	0.79
Commercial Motors Sales Private Limited	0.35	-
Kailash Motors	1.08	1.70
Payment against reimbursement of expenses received		
Commercial Motors Sales Private Limited	1.02	0.61
Commercial Automobiles Private Limited	0.41	1.95
Kailash Motors	0.67	0.55
Advance given against purchases		
Commercial Automobiles Private Limited	-	5.50
Advance received back		
Commercial Automobiles Private Limited	-	5.50

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Transactions with key management personnel

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Deepak Tiwari (Upto 31 July 2016)	-	16.67
Mr. Abhishek Jaiswal (From 13 February 2017)	30.11	3.58
Mr. Amit Jain (From 17 February 2017)	21.45	4.17
Loan taken		
Mr. Kailash Gupta	-	54.00
Reimbursement of expenses		
Mr. Kailash Gupta	0.13	3.45
Payment against reimbursement of expenses received		
Mr. Kailash Gupta	0.13	1.99
Total compensation paid to key management personnel	**51.82**	**83.86**

* Key management personnel are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability liability for Key management personnel cannot be ascertained separately, except for the amount actually paid

Transactions with key management personnel other than above

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Director sitting fees		
Mr. Kailash Gupta	0.40	1.15
Mr. Prakash Y. Gurav	1.75	2.15
Mr. M V. Rajarao	1.75	1.60
Mr. Prabhakar Dalal	0.70	1.95
Total compensation paid to key management personnel	**4.60**	**6.85**

Balances with related parties

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivable			
Enterprise over which key management personnel or their relatives are able to exercise significant influence			
J.N. Auto Limited (Unit Rekha Engineering)	7.75	13.43	11.35
Commercial Motors Sales Private Limited	-	0.68	1.29
Total	**7.75**	**14.11**	**12.64**
Trade payables			
Enterprise over which key management personnel or their relatives are able to exercise significant influence			
Shivam Motors Private Limited	46.75	46.75	46.75
Commercial Automobiles Private Limited	61.75	144.49	140.18
Kailash Motors	-	0.41	1.57
Total	**108.50**	**191.65**	**188.50**
Other current financial liabilities			
Key Managerial Personnel			
Mr. Kailash Gupta	6.59	6.59	6.91
Mr. Abhishek Jaiswal	1.32	-	-
Mr. Deepak Tiwari	-	11.03	10.69
Total	**7.91**	**17.62**	**17.60**
Current financial liabilities - Borrowings			
Key Managerial Personnel			
Mr. Kailash Gupta	262.55	262.55	208.55
Total	**262.55**	**262.55**	**208.55**
Non Current financial liabilities - Borrowings			
Key Managerial Personnel			
Mr. Kailash Gupta	570.84	506.92	449.55
Total	**570.84**	**506.92**	**449.55**

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment			
Enterprise over which key management personnel or their relatives are able to exercise significant influence			
Kailash Motors Private Limited	0.10	0.10	0.10
Total	**0.10**	**0.10**	**0.10**
Unpaid Calls on Non- Convertible Cumulative Redeemable Preference shares			
Key Managerial Personnel			
Mr. Kailash Gupta	700.00	700.00	700.00
Total	**700.00**	**700.00**	**700.00**

Notes:

I. **Terms and conditions of transactions with the related parties**
Transactions with the related parties are made on normal commercial terms and conditions and at market rates

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42. Details of dues to micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act (MSMED), 2006:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period			
- Principal	78.12	27.77	19.97
- Interest	33.26	23.79	19.48
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act,	-	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	9.47	4.31	2.21
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period.	33.26	23.79	19.48
(f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-	-

43. **Disclosure on Specified Bank Notes (SBN)**

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs.

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic dated 8 November, 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2013. Disclosure made in the previous year ended 31 March 2017 financial statements is as below:

Particulars	**Specified Bank Notes***	**Other denomination Notes**	**Total**
Closing cash in hand as on 8 November 2016#	2.68	0.10	2.78
(+) Permitted receipts	-	7.18	7.18
(+) Withdrawals from the bank	-	-	-
(-) Permitted payments	-	6.96	6.96
(-) Amount deposited in Banks	2.68	-	2.68
Closing cash in hand as on 30 December 2016	-	0.32	0.32

*For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.".

It includes cash in hand held under imprest

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Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

44. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 1 April 2016

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	0.10
(ii) Loans*	-	-	99.25	99.25	-	-	99.25
Current							
(i) Investments*	-	-	-	-	-	-	-
(ii) Trade receivables*	-	-	1,233.63	1,233.63	-	-	1,233.63
(iii) Cash and cash equivalents*	-	-	5.23	5.23	-	-	5.23
(iv) Bank balances other than (iii) above*	-	-	247.13	247.13	-	-	247.13
(v) Loans*	-	-	239.11	239.11	-	-	239.11
(vi) Other financial assets*	-	-	13.56	13.56	-	-	13.56
Total	0.10	-	1,837.91	1,838.01			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	6,385.89	6,385.89	-	-	6,385.89
(ii) Trade payables*	-	-	-	-	-	-	-
(iii) Other financial liabilities*	-	-	5.00	5.00	-	-	5.00
Current							
(i) Borrowings#	-	-	3,952.89	3,952.89	-	-	3,952.89
(ii) Trade payables*	-	-	3,377.78	3,377.78	-	-	3,377.78
(iii) Other financial liabilities*	-	-	5,216.83	5,216.83	-	-	5,216.83
Total	-	-	18,938.39	18,938.39			

ii. As on 31 March 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	0.10
(ii) Loans*	-	-	93.31	93.31	-	-	93.31
(iii) Other financial assets*	-	-	-	-	-	-	-
Current							
(i) Investments*	-	-	1,569.89	1,569.89	-	-	1,569.89
(ii) Trade receivables*	-	-	42.77	42.77	-	-	42.77
(iii) Cash and cash equivalents*	-	-	124.97	124.97	-	-	124.97
(iv) Bank balances other than (iii) above*	-	-	198.97	198.97	-	-	198.97
(v) Loans*	-	-	6.67	6.67	-	-	6.67
(vi) Other financial assets*	-	-	-	-	-	-	-
Total	0.10	-	2,036.57	2,036.67			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	4,333.97	4,333.97	-	-	4,333.97
(ii) Trade payables*	-	-	-	-	-	-	-
(iii) Other financial liabilities*	-	-	5.00	5.00	-	-	5.00
Current							
(i) Borrowings#	-	-	3,970.63	3,970.63	-	-	3,970.63
(ii) Trade payables*	-	-	3,549.55	3,549.55	-	-	3,549.55
(iii) Other financial liabilities*	-	-	9,437.05	9,437.05	-	-	9,437.05
Total	-	-	21,296.20	21,296.20			

iii. As on 31 March 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	0.10
(ii) Loans	-	-	44.00	44.00	-	-	44.00
(iii) Other financial assets	-	-	-	-	-	-	-
Current							
(ii) Trade receivables*	-	-	685.04	685.04	-	-	685.04
(iii) Cash and cash equivalents*	-	-	333.84	333.84	-	-	333.84
(iv) Bank balances other than (iii) above*	-	-	107.34	107.34	-	-	107.34
(v) Loans*	-	-	195.56	195.56	-	-	195.56
(vi) Other financial assets*	-	-	222.87	222.87	-	-	222.87
Total	0.10	-	1,588.65	1,588.75			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	570.84	570.84	-	-	570.84
(iii) Other financial liabilities	-	-	5.00	5.00	-	-	5.00
Current							
(i) Borrowings#	-	-	4,520.64	4,520.64	-	-	4,520.64
(ii) Trade payables*	-	-	2,559.26	2,559.26	-	-	2,559.26
(iii) Other financial liabilities*	-	-	15,617.32	15,617.32	-	-	15,617.32
Total	-	-	23,273.06	23,273.06			

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The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2017 and 31 March 2016.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk - Foreign exchange
- Market risk - Interest rate

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly define

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments	0.10	0.10	0.10
Trade receivables	685.04	1,569.89	1,233.63
Cash and cash equivalents	333.84	42.77	5.23
Balances other than cash and cash equivalents	107.34	124.97	247.13
Loans	239.56	292.29	338.36
Other financial assets	222.87	6.67	13.56

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount		
Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
1-90 days past due *	630.72	1,355.41	2,011.00
91 to 180 days past due	42.36	27.29	45.77
More than 180 days past due #	1,713.68	1,833.01	804.31
	2,386.76	3,215.71	2,861.08

* The Company believes that the amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance at the beginning of the year	1,645.82	1,627.45
Impairment loss recognised / (reversed)	81.89	18.37
Amount written off out of above	(25.99)	-
Balance at the end of the year	1,701.72	1,645.82

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. Currently the company is facing liquidity crises due to huge interest cost.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 1 April 2016	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	6,385.89	-	6,174.40	449.55	6,623.95
Other financial liabilities	5.00	-	-	5.00	5.00
Current liabilities					
Borrowings	3,952.89	3,952.89	-	-	3,952.89
Trade payables	3,377.78	3,377.78	-	-	3,377.78
Other financial liabilities	5,216.83	5,216.83	-	-	5,216.83
Total	18,938.39	12,547.50	6,174.40	454.55	19,176.45

As at 31 March 2017	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	4,333.97	-	3,964.29	506.92	4,471.21
Other financial liabilities	5.00	-	-	5.00	5.00
Current liabilities					
Borrowings	3,970.63	3,970.63	-	-	3,970.63
Trade payables	3,549.55	3,549.55	-	-	3,549.55
Other financial liabilities	9,437.05	9,437.05	-	-	9,437.05
Total	21,296.20	16,957.23	3,964.29	511.92	21,433.44

As at 31 March 2018	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	570.84	-	-	570.84	570.84
Other financial liabilities	5.00	-	-	5.00	5.00
Current liabilities		-			
Borrowings	4,520.64	4,520.64	-	-	4,520.64
Trade payables	2,559.26	2,559.26	-	-	2,559.26
Other financial liabilities	15,617.32	15,617.32	-	-	15,617.32
Total	23,273.06	22,697.22	-	575.84	23,273.06

* Pertains to debt component of compound financial instrument. The contractual cash flows are based on management's intent since the preference shares are redeemable only as fully paid up
#Carrying amount presented as net off unamortized transaction cost.

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b. Financial risk management (continued)

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2018, 31 March 2017 and 1 April 2016 are as below:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	INR	INR	INR
Financial liabilities			
Borrowings	3,122.12	3,113.23	397.71
	3,122.12	3,113.23	397.71

Sensitivity analysis
The following table demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Particulars	Effect on Profit before tax	
	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:	+1%	-1%
For the year ended 31 March 2018		
USD	31.13	(31.13)
	31.13	(31.13)
For the year ended 31 March 2017		
USD	31.22	(31.22)
	31.22	(31.22)

USD: United States Dollar

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

44. Financial risk management (continued)

(iii) Market risk

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk
The Company's interest rate risk arises majorly from the term loans from banks/Non banking financial companies (NBFC) carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans from banks and NBFC (Non current)	-	3,827.05	5,936.34
Term loans from banks and NBFC (Current)	4,058.09	3,460.08	3,473.83
Current maturities of borrowings	11,981.72	7,964.66	4,624.31
Total	16,039.81	15,251.79	14,034.48

Cash flow sensitivity analysis for variable-rate instruments
A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2018	160.40	(160.40)
For the year ended 31 March 2017	152.52	(152.52)

45. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowings	17,073.20	16,269.27	14,963.10
Less : Cash and cash equivalent	(333.84)	(42.77)	(5.23)
Adjusted net debt (A)	16,739.35	16,226.50	14,957.88
Total equity (B)	(6,717.72)	(3,031.77)	528.69
Adjusted net debt to adjusted equity ratio (A/B)	-	-	2829.24%

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46. Explanation of transition to Ind AS

As mentioned in note 2.1 (i), these financial statements for the year ended 31 March 2018, are the first financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ended on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind-AS.
This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective for the financial year ended 31 March 2018. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2016 compared with those presented in the previous GAAP Balance Sheet as of 31 March 2016, were recognised in equity within the Ind AS Balance Sheet.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Transition elections

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at 1 April 2016, the carrying amounts of assets and liabilities from the previous GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on 31 March 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

a) Ind AS optional exemptions:

(i) Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment, intangible assets and capital work in progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value

(ii) Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Company has elected to apply this exemption for such contracts/arrangements.

b) Ind AS mandatory exceptions:

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Determination of the discounted value for financial instruments carried at amortised cost
b) Impairment of financial assets based on expected credit loss model

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable

B. Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2018
(All amounts are in INR lakhs, unless otherwise stated)

(i) Reconciliation of equity as at 1 April 2016:

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a	15,844.51	(311.22)	15,533.29
Capital work-in progress		200.39	-	200.39
Intangible assets		7.48	-	7.48
Financial assets				
(i) Investments		0.10	-	0.10
(ii) Loans		99.25	-	99.25
Deferred tax assets (net)		-	-	-
Other non-current assets	a	1,875.13	(60.70)	1,814.43
Total non-current assets		18,026.86	(371.92)	17,654.94
Current assets				
Inventories		979.55	-	979.55
Financial assets				
(i) Trade receivables		1,233.63	-	1,233.63
(ii) Cash and cash equivalents		5.23	-	5.23
(iii) Bank balances other than (ii) above		247.13	-	247.13
(iv) Loans		239.11	-	239.11
(v) Other financial assets		13.56	-	13.56
Other current assets	a	2,806.08	(51.18)	2,754.90
Total current assets		5,524.29	(51.18)	5,473.11
Total assets		23,551.15	(423.10)	23,128.05
EQUITY AND LIABILITIES				
Equity				
Equity share capital		6,794.30	(1,300.00)	5,494.30
Other equity		(5,607.89)	642.28	(4,965.61)
Total equity		1,186.41	(657.72)	528.69
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	a,b	6,174.40	211.49	6,385.89
(ii) Other financial liabilities		5.00	-	5.00
Provisions		20.73	-	20.73
Other non-current liabilities		2,419.44	-	2,419.44
Total non- current liabilities		8,619.57	211.49	8,831.06
Current liabilities				
Financial Liabilities				
(i) Borrowings		3,952.89	-	3,952.89
(ii) Trade payables		3,377.78	-	3,377.78
(iii) Other financial liabilities	c	5,193.70	23.13	5,216.83
Other current liabilities		922.58	-	922.58
Provisions		39.06	-	39.06
Current tax liabilities (net)		259.16	-	259.16
Total current liabilities		13,745.17	23.13	13,768.30
Total equity and liabilities		23,551.15	(423.10)	23,128.05

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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(ii) Reconciliation of equity as at 31 March 2017:

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a	14,769.04	(300.60)	14,468.44
Capital work-in progress		198.69	-	198.69
Intangible assets		-	-	-
Financial assets				
(i) Investment		0.10	-	0.10
(ii) Loans		93.31		93.31
Deferred tax assets (net)		-	-	-
Other non-current assets	a	2,740.66	(12.71)	2,727.95
Total non-current assets		17,801.80	(313.31)	17,488.49
Current assets				
Inventories		697.26	-	697.26
Financial assets				
(i) Trade receivables		1,569.89	-	1,569.89
(ii) Cash and cash equivalents		42.77	-	42.77
(iii) Bank balances other than (iii) above		124.97		124.97
(iv) Loans		198.97	-	198.97
(v) Other financial assets		6.67	-	6.67
Other current assets	a	2,451.84	(67.84)	2,384.00
Total current assets		5,092.35	(67.84)	5,024.53
Total assets		22,894.15	(381.15)	22,513.02
EQUITY AND LIABILITIES				
Equity				
Equity share capital		6,794.30	(1,300.00)	5,494.30
Other equity		(8,913.01)	386.93	(8,526.07)
Total equity		(2,118.71)	(913.07)	(3,031.77)
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	a,b	3,964.29	369.68	4,333.97
(ii) Other financial liabilities		5.00	-	5.00
Provisions		33.13	-	33.13
Other non-current liabilities		3,290.38	-	3,290.38
Total non- current liabilities		7,292.80	369.68	7,662.48
Current liabilities				
Financial Liabilities				
(i) Borrowings		3,970.63	-	3,970.63
(ii) Trade payables		3,549.55	-	3,549.55
(iii) Other financial liabilities	a	9,274.82	162.23	9,437.05
Other current liabilities		641.37	-	641.37
Provisions		34.55	-	34.55
Current tax liabilities (net)		249.16	-	249.16
Total current liabilities		17,720.07	162.23	17,882.31
Total equity and liabilities		22,894.15	(381.16)	22,513.02

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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(iii) Reconciliation of total comprehensive income for the year ended 31 March 2017:

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	f	15,115.52	(63.73)	15,051.79
Other income		44.38	-	44.38
Total Income		**15,159.90**	**(63.73)**	**15,096.17**
Expenses				
Cost of material consumed		8,280.10	-	8,280.10
Changes in inventories of finished goods, work-in-progress and traded goods		183.44	-	183.44
Excise duty		4,518.09	-	4,518.09
Employee benefits expense	c	584.22	(0.18)	584.04
Finance costs	a,b,e	2,464.36	265.98	2,730.34
Depreciation and amortisation expense	a	1,046.44	(10.63)	1,035.80
Other expenses	f	1,388.37	(63.73)	1,324.64
Total expenses		**18,465.02**	**191.44**	**18,656.45**
Loss before tax		**(3,305.12)**	**(255.17)**	**(3,560.28)**
Tax expense				
Current tax expense		-	-	-
Deferred tax (credit)/ charge		-	-	-
Loss for the year		**(3,305.12)**	**(255.17)**	**(3,560.28)**
Other comprehensive income				
Items that will not be reclassified the statement of profit and loss				
Re-measurement loss/ (gain) of defined benefit obligation		-	(0.18)	(0.18)
Income tax relating to relating items that will not be reclassified to profit or loss		-	-	-
Total other comprehensive income/ (expense) for the year, net of taxes		-	**(0.18)**	**(0.18)**
Total comprehensive income for the year		**(3,305.12)**	**(255.34)**	**(3,560.46)**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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(iv) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
Total equity (shareholder's funds) as per previous GAAP		(2,118.71)	1,186.41
Adjustments:			
Measurement of financial liability at amortised cost	a,b	(360.85)	(233.93)
Debt component of compound financial instrument classified as borrowings	b	(400.66)	(400.66)
Prior period (Penalty for delay interest)	e	(162.18)	(23.13)
Depreciation Impact	a	10.63	-
Total adjustments		(913.06)	(657.72)
Total equity as per Ind AS		(3,031.77)	528.69

(v) Reconciliation of total comprehensive income/ (expense) for the year ended 31 March 2017

Particulars	Notes	For the year ended 31 March 2017
Loss after tax as per previous GAAP		-
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	c,d	(0.18)
Others		-
Total adjustments		(0.18)
Profit after tax as per Ind AS		(0.18)
Other comprehensive income		-
Total comprehensive income as per Ind AS		(0.18)

(vi) Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

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C. Notes to the reconciliations:

a. Borrowings and Property, plant and equipment - transaction cost adjustment

As per the requirement of Ind AS, loan processing fee should be amortised over the period of repayment of loan as per Effective Interest Rate (EIR) method. In previous GAAP (IGAAP), processing fee were capitalised (depreciated over the life of specific fixed assets) / charged to Profit & Loss on straight line basis. The same has been reversed and now amortised over the period of loan according to Effective Interest Rate (EIR) method.

The impact of the transition is detailed below:

Balance Sheet	As at 31 March 2017	As at 1 April 2016
Property, plant and equipment	(300.60)	(311.22)
Borrowings - Non Current	(137.23)	(238.05)
Other non current assets	(12.71)	(60.70)
Other current assets	(67.84)	(51.18)

Statement of profit and loss	Year ended 31 March 2017
Depreciation	(10.63)
Finance cost	69.57

The same has resulted in decrease in retained earnings by INR 185.05 lakhs as at 1 April 2016 and loss for the FY 2016-17 has increased by INR 69.57 lakhs.

b. Measurement of financial liability at amortised cost

The Company has issued 2,000,000, 0.0091% Non Convertible, Cumulative, Redeemable Preference Shares of INR 100 per share. As per the requirements of Ind-AS 109, initial measurement of such preference shares needs to be done at fair value. The difference between transaction price and fair value needs to be accounted for as borrowings in the financial statements of the Company. The same has been adopted under Ind AS as on transition date. Accordingly the Preference share capital has been divided into two components viz. Debt and Equity as at transition date.

The impact of the transition is detailed below:

Balance Sheet	As at 31 March 2017	As at 1 April 2016
Borrowings - Non Current	506.92	449.55

Statement of profit and loss	Year ended 31 March 2017
Finance cost	57.37

The same has resulted in decrease in retained earnings by INR 48.90 lakhs as at 1 April 2016 and loss for the FY 2016-17 has increased by INR 57.37 lakhs.

c. Employee benefits: Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result, loss for the year ended 31 March 2017 is decreased by INR 0.18 lakhs and is reclassified to other comprehensive income. There is no impact on the total equity as at 31 March 2017.

d. Other comprehensive income

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of profit or loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from the statement of profit and loss to other comprehensive income.

e. Prior period Errors (Penalty for delay interest)

Under previous GAAP, the Company has not recognised the penal interest for non payment of interest and principal on loans. The same has been recognised in the opening and previous year comparative balance sheet of the Company prepared under Ind AS. Penal interest amounting to INR 23.13 lakhs has been provided for in the opening balance sheet and INR 139.05 lakhs has been provided for in the FY 2016-17.

The impact of the transition is detailed below:

Balance Sheet	As at 31 March 2017	As at 1 April 2016
Other financial liabilities	162.23	23.13

Statement of profit and loss	Year ended 31 March 2017
Finance cost	139.05

The same has resulted in decrease in retained earnings by INR 23.13 lakhs as at 1 April 2016 and loss for the FY 2016-17 has increased by INR 139.05 lakhs.

f. Classification of Revenue net of committed costs

Under previous GAAP, the Company has recognised the gross amount of revenue and has recognised Late Delivery charges under Other Expenses. The same has been netted off from Revenue in the comparative previous year Statement of Profit and Loss. Accordingly the revenue for the FY 2016-17 has reduced by INR 63.73 lakhs with corresponding decrease in other expenses. There is no impact on loss due to above adjustment

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47. "Other Current Financial Assets" include Inter corporate deposits (ICD) of INR 1,000.00 Lakhs given to two Companies in an earlier year and which are outstanding as on 31 March 2017. These amounts have been fully provided for, as doubtful of recovery, in an earlier year. The Company has, during the earlier year filed a legal suit for recovery of the same (along with accumulated interest thereon). This case is lying before the Second Additional District Judge, Jabalpur.

48. The Company during the earlier year has availed the benefit of refund of sales tax (VAT) under MP Industrial Investment Promotion Assistance Policy under, a scheme by MP Trade and Investment Facilitation Corp Limited. The refund is receivable from the department and is pending for clearance.

49. Over the past few years, the Company has been incurring cash losses affecting its ability to service its borrowings / creditors / other liabilities and similar obligations. Consequently, the Joint Lenders Forum invoked Strategic Debt Restructuring ("SDR") on 11 January 2017, in compliance of the guidelines issued by the Reserve Bank of India ("RBI"). On 12 October 2017, the lead bank communicated that SDR could not be completed within the timeframe prescribed by RBI and loan given by the lenders to the Company has been classified Non-Performing Assets in the books of lenders. These conditions indicate the existence of material uncertainty about the Company's ability to continue as a going concern. The lenders are in the process of identifying revival measures, including debt restructuring and other structural changes. The Company continues to receive orders from customers which are being serviced on the basis of support from its key customers. The management is confident about positive outcome of the restructuring and continued support of its customers resulting in revival of operations of the Company. Accordingly, the financial statements have been prepared by the Company on a going concern basis.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 25 May 2018

For and on behalf of Board of Directors of
Commercial Engineers and Body Builders Co Ltd.

S.K. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Atul Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 39779)

Place: Pune
Date: 25 May 2018

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For Commercial Engineers & Body Builders Co Ltd.

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Commercial Engineers & Body Builders Co. Ltd.

B S R & Co. LLP
Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
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INDEPENDENT AUDITORS' REPORT

To the Members of Commercial Engineers and Body Builders Co Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Commercial Engineers and Body Builders Co Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Going Concern assessment - Refer to the 48 to the financial statements	
The key audit matter	**How the matter was addressed in our audit**
In the earlier years, the Company had been incurring cash losses affecting its ability to service its borrowings, creditors, other liabilities and similar obligations. We identified management's use of the going concern assumption in preparing the financial statements as a key audit matter because the factors considered by the management of the Company in their evaluation on the Company's ability to continue as a going concern are complex which may be inherently uncertain and could be subject to management bias.	Our procedures performed included, among others: • obtaining and examining management's projections; • discussing with management their plans and the potential sources of funding including sufficient working capital and recourse to finance its operations and continue to operate as a going concern for the foreseeable future and evaluating these in relation to the available evidence and to past experience; • evaluating the Company's going concern disclosures in the financial statements by comparing them to our understanding of the matter.

Accounting for Restructuring of Borrowings - Refer to the note 48 to the financial statements	
The key audit matter	**How the matter was addressed in our audit**
During the year, the Company, the lenders, the erstwhile promoters and the incoming investor have entered into a Resolution Plan for restructuring of borrowings which includes following features: - partial waiver of the principal amount of loan and interest; - issuance of equity shares to the incoming investor; - transfer of pledged promoter shares to the incoming investor; - grant / renewal of the credit facilities subject to certain terms and conditions; and - issuance of non-convertible redeemable preference shares. This has resulted in change in ownership of the Company. We have identified the accounting for above restructuring of borrowings as a key audit matter because the accounting for restructuring is complex and involves judgement due to contractual terms and assumptions used in determining accounting thereof.	Our procedures performed included, among others: • considering the terms of resolution plan entered into by the Company; • obtaining accounting analysis of restructuring of borrowings from the management and reviewed the same in light of appropriate accounting guidance; • testing of significant transactions with supporting documents, such as underlying resolution plan, board resolutions, third party confirmations and valuation reports; • testing the gain on waiver of interest and principal outstanding by the lenders by agreeing to underlying documents; • involved internal valuation specialists wherever required; • considering the adequacy of disclosures in the financial statements in respect of the restructuring accounting.

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Revenue Recognition - Refer to the note 2.2(e) to the financial statements	
The key audit matter	**How the matter was addressed in our audit**
As disclosed in Note 28, the Company's revenue from operations for the year ended 31 March 2019 was INR 21,579.96 Lakhs. We have identified revenue recognition as a key audit matter because revenue is qualitatively significant to the Statement of Profit and Loss and is one of key performance indicators of the Company, there may be risks of material misstatements related to completeness, existence and accuracy of revenue recognition.	Our procedures performed included, among others: • obtaining the understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition; • on a sample basis, making selections from sales entries and tracing to their contracts, invoices, and goods outward register; • trade receivables outstanding at the year end. Selecting a sample of trade receivables and assessing their recoverability with reference to post year end cash receipts; • selecting a sample of transactions recorded during the year and assessing whether revenue has been recognised in the correct period with reference to supporting invoices, terms and conditions with customers and cash receipts; and • assessing the appropriateness of unbilled revenue at the year end with reference to post year end billings and cash receipts.

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Impairment and Assets held for sale - Refer to the note 3 to the financial statements	
The key audit matter	**How the matter was addressed in our audit**
As at 31 March 2019, the Company's balance sheet includes property, plant and equipment amounting to INR 11,268.42 Lakhs. The assessment of the recoverable value of these assets, or for the relevant cash-generating unit ('CGU'), incorporates significant judgement in respect of factors such as future production levels, sales prices, operating/capital costs and economic assumptions such as discount rates, inflation rates etc. Further, the Company has undertaken review of certain activities and identified certain assets as held for sale and recognised the same at lower of cost or net realizable value. We identified assessing impairment and assets held for sale as a key audit matter because property, plant and equipment are significant to the Company's total assets and involves significant judgement and estimation in determining the recoverable value.	Our procedures performed included, among others: • testing the design and implementation of controls which management have in place around planned and completed disposal activities; • obtaining and reviewing management assessment whether there were any indicators of impairment of property, plant and equipment as at 31 March 2019; • obtaining the projections used in determination of recoverable amount of property, plant and equipment from the management and considered the appropriateness of the growth assumptions applied by comparing the forecast cash flows to those currently being achieved by the CGUs and challenged the management's assumptions regarding inflation rate, discount rate, etc; • obtaining the assessment undertaken by the management for review of certain activities and identification of assets held for sale; • challenging management's judgement on the classification and valuation of assets held for sale through understanding the status of the sales process and reviewing correspondence from purchasers and prospective purchasers; and • assessing the adequacy of the disclosures in the financial statements in respect of the property, plant and equipment carrying values and assets held for sale.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

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e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 40 to the financial statements.

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Pune
Date: 22 May 2019

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Annexure A referred to in our Independent Auditors' Report to the members of Commercial Engineers and Body Builders Co Limited on the Financial Statements for the year ended 31 March 2019

We report that:

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

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

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

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

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

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

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the goods sold by the Company. Accordingly, para 3(vi) of the Order is not applicable.

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

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According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Services Tax, Service Tax, Sales Tax, Duty of excise and Value added tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except as mentioned below:

(INR in Lakhs)

Name of Statute	Nature of Dues	Amount	Period to which the amount relates	Due Date	Date of Subsequent Payment
Income Tax Act, 1961	Tax Deducted at Source	2.56	April 2018	7 May 2018	11 April 2019
		2.56	May 2018	7 June 2018	11 April 2019
		11.56	June 2018	7 July 2018	11 April 2019
		2.56	July 2018	7 Aug 2018	11 April 2019
		2.56	Aug 2018	7 September 2018	11 April 2019

Also refer note 40, wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court Judgement on the provident fund matter, management has not recognised and deposited any additional provident fund amount in respect to the previous years.

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

(INR In Lakhs)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved*	Amount Paid under Protest
Central Excise Act, 1944	Excise Duty	AC, Jabalpur	April 2009- June 2009	14.37	-
		CEC/JC, Jabalpur	April 2007-Dec 2015	2,468.48	507.60
		CEC, Jamshedpur	April 2015- June 2017	1.24	-
		CEC, Pithampur	Oct 2012- Feb 2014	8.94	-
		High Court, Madhya Pradesh	July 2008 - August 2009	2,047.00	-
		CESTAT, New Delhi	Sep 2010- Dec 2014	148.85	-
		CESTAT, Kolkata	April 2011-March 2015	195.43	0.53
MP Commercial Tax Act,1994	Value Added Tax	Appellate Board, Bhopal	F Y 2007-08	64.41	18.03
		Appellate Board, Bhopal	F Y 2008-09	63.35	17.78
		Supreme Court	F Y 2012-13	1,406.50	-
		Dy. Commissioner Jabalpur	F Y 2013-14	131.44	32.86

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Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved*	Amount Paid under Protest
Central Sales Tax Act,1956	Central Sales Tax	Appellate Board, Bhopal	F Y 2007-08	11.02	3.09
		Appellate Board, Bhopal	F Y 2010-11	29.77	28.29
		Additional Commissioner, Jabalpur	F Y 2012-13	6.11	2.81
		Additional Commissioner, Jabalpur	F Y 2015-16	8.34	0.84
Jharkhand VAT Act, 2005	Value Added Tax	Dy. Commissioner of Commercial Taxes, Adityapur Circle, Jamshedpur	April 2011 to March 2012	217.20	-
		Dy. Commissioner of Commercial Taxes, Adityapur Circle, Jamshedpur	April 2012 to March 2013	63.97	-
Income Tax Act, 1956	Income Tax	CIT (Appeals), Kanpur	A.Y. 2012-13	15.93	-
		CIT (Appeals), Kanpur	A.Y. 2011-12	9.96	9.96

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

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

(INR in Lakhs)

Particulars	Amount of default in repayment		Period of default*
	Principal	Interest	
Dues to Financial Institutions :			
Tata Capital Financial Services Limited	2,559.60	1,351.70	March 2016 – 22 January 2019
Dues to Banks :			
HDFC Bank Limited	1,847.97	547.13	November 2016 – 22 January 2019
Axis Bank Limited	11,501.76	3,223.56	November 2016 – 22 January 2019

* *the Company has entered a Resolution Plan which contains restructuring of borrowings as mentioned in note 48 to the financial statements.*

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The Company did not have any loans or borrowings from government during the year and has not issued any debentures.

(ix) Based on our examination of books of account and according to the information and explanations given to us, the Company has utilized all the money raised by way of term loans, for the purpose for which they were raised. Further, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).

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

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

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

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

(xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has made preferential allotment of shares during the year which is in compliance with section 42 of the Act, the Company has raised INR 3,453.97 Lakhs out of which INR 1,686.84 Lakhs has been utilized for the purpose for which it was raised and the balance was lying in the bank account as on 31 March 2019. Further, the Company has not made any private placement of shares or fully or partly convertible debentures.

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

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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Pune
Date: 22 May 2019

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Annexure 'B' to the Independent Auditors' report on the financial statements of Commercial Engineers and Body Builders Co Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Commercial Engineers and Body Builders Co Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

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selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Pune
Date: 22 May 2019

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Commercial Engineers and Body Builders Co Ltd.
Balance Sheet as at 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,268.42	13,453.11
Capital work-in-progress	3	13.01	198.44
Intangible assets	4	28.86	-
Financial assets			
(i) Investments	5	0.10	0.10
(ii) Loans	6	57.68	44.00
Deferred tax assets (net)	37	-	-
Income tax assets (net)		9.96	-
Other non-current assets	7	2,784.42	2,776.47
Total non-current assets		**14,162.45**	**16,472.12**
Current assets			
Inventories	8	1,444.43	926.51
Financial assets			
(i) Trade receivables	9	1,774.82	685.04
(ii) Cash and cash equivalents	10	2,302.67	333.84
(iii) Bank balances other than (ii) above	11	87.26	107.34
(iv) Loans	12	250.19	195.56
(v) Other financial assets	13	187.46	222.87
Other current assets	14	546.63	1,909.44
Assets held for sale	15	102.00	-
Total current assets		**6,695.46**	**4,380.60**
Total assets		**20,857.91**	**20,852.72**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	8,948.27	5,494.30
Other equity	17	637.27	(12,212.02)
Total equity		**9,585.54**	**(6,717.72)**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	3,403.27	570.84
(ii) Other financial liabilities	19	5.10	5.00
Provisions	20	24.14	33.72
Other non-current liabilities	21	2,856.17	3,388.55
Total non-current liabilities		**6,288.68**	**3,998.11**
Current liabilities			
Financial liabilities			
(i) Borrowings	22	462.55	4,520.64
(ii) Trade payables	23		
(a) Total outstanding dues of Micro and Small Enterprises		166.69	112.12
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		2,363.72	2,447.14
(iii) Other financial liabilities	24	643.05	15,617.31
Other current liabilities	25	908.72	461.05
Provisions	26	197.18	172.29
Current tax liabilities (net)	27	241.78	241.78
Total current liabilities		**4,983.69**	**23,572.33**
Total equity and liabilities		**20,857.91**	**20,852.72**

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No : 095109

Place: Pune
Date: 22 May 2019

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

P.Y. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No : 39779)

Place: Pune
Date: 22 May 2019

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For Commercial Engineers & Body Builders Co Ltd
Authorised Signatory

Commercial Engineers and Body Builders Co Ltd.
Statement of Profit and Loss for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	28	21,579.96	9,963.96
Other income	29	75.91	116.43
Total income		**21,655.87**	**10,080.39**
Expenses			
Cost of materials consumed	30	18,045.82	7,970.47
Changes in inventories of finished goods and work-in-progress	31	(251.69)	(186.17)
Excise duty on sales		-	247.46
Employee benefits expense	32	679.10	495.34
Finance costs	33	2,214.45	2,777.96
Depreciation and amortisation expense	34	1,037.91	1,035.23
Other expenses	35	1,916.37	1,431.37
Total expenses		**23,641.96**	**13,771.66**
Loss before tax and exceptional items		**(1,986.09)**	**(3,691.27)**
Exceptional Items	36	10,853.47	-
Profit/(loss) before tax		**8,867.38**	**(3,691.27)**
Tax expense			
Current tax expense		-	-
Deferred tax (credit)/ charge		-	-
Profit/(loss) for the year		**8,867.38**	**(3,691.27)**
Other comprehensive income/(expense)			
Items that will not be reclassified the statement of profit and loss			
Re-measurement (loss)/gain of defined benefit obligation		(1.20)	5.32
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive (expense)/ income for the year, net of taxes		**(1.20)**	**5.32**
Total comprehensive income/ (expense) for the year		**8,866.18**	**(3,685.95)**
Earning/(loss) per equity share			
Basic and diluted earning/(loss) per equity share [Nominal value of INR 10 per share (Previous year INR 10 per share)]	41	14.42	(6.71)

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
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Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 39779)

Place: Pune
Date: 22 May 2019

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Commercial Engineers and Body Builders Co Ltd.
Statement of Changes in Equity for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2017	5,494.30
Changes during the year	-
Balance as at 31 March 2018	5,494.30
Changes during the year	3,453.97
Balance as at 31 March 2019	8,948.27

B. Other equity

Particulars	Equity component of compound financial instrument (Note 16)	Reserve and surplus (1)					Items of other comprehensive income (1)	Total
		General reserve	Capital reserve	Securities Premium	Deemed contribution by shareholders (Note 17)	Surplus in Statement of Profit or loss	Remeasurement of defined benefit liability	
Balance as at 1 April 2017	899.34	9.80	8.72	12,837.80	-	(22,281.55)	(0.18)	(8,526.07)
Loss for the year	-	-	-	-	-	(3,691.27)	-	(3,691.27)
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	5.32	5.32
Balance as at 31 March 2018	899.34	9.80	8.72	12,837.80	-	(25,972.82)	5.14	(12,212.02)
Balance as at 1 April 2018	899.34	9.80	8.72	12,837.80	-	(25,972.82)	5.14	(12,212.02)
Profit for the year	-	-	-	-	-	8,867.38	-	8,867.38
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	(1.20)	(1.20)
Deemed contribution by shareholders	-	-	-	-	3,983.11	-	-	3,983.11
Balance as at 31 March 2019	899.34	9.80	8.72	12,837.80	3,983.11	(17,105.45)	3.94	637.27

Notes:

1. Refer note 17 for nature and purpose of these reserves

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Pune
Date: 22 May 2019

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

P.Y. Gurav
Director
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Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 39779)

Place: Pune
Date: 22 May 2019

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Commercial Engineers and Body Builders Co Ltd.
Cash flow statement for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit/(Loss) before tax	8,856.18	(3,691.27)
Adjustments for		
Depreciation and amortisation expense	1,037.91	1,035.23
Loss/ (Profit) on sale of property, plant and equipment / held for sale	25.45	(17.43)
Provision for doubtful debt and advances	11.61	244.02
Liabilities / provisions no longer required written back	(63.22)	(73.28)
Exceptional items (refer note 36)	(10,853.47)	-
Interest income	(10.73)	(11.51)
Finance cost	2,214.45	2,777.96
Operating cash flow before working capital changes	**1,228.18**	**263.72**
Changes in assets and liabilities		
(Increase) in inventories	(517.92)	(229.25)
Decrease in trade receivables, financial assets and other assets	236.03	914.23
(Decrease) in trade payables, financial liabilities and other liabilities	(29.23)	(1,154.49)
Increase in provisions	15.30	133.06
Cash generated from operations	**932.36**	**(72.73)**
Income taxes paid	**(9.96)**	**(2.28)**
Net cash flow from/ (used in) operating activities (A)	**922.40**	**(75.01)**
Cash flow from investing activities		
Purchases of property, plant and equipment (Net)	(120.78)	(25.32)
Proceeds from sale of property, plant and equipment	-	22.05
Interest received	10.73	9.65
Net cash flow (used in)/ flow from investing activities (B)	**(110.03)**	**6.38**
Cash flow from financing activities		
Proceeds from equity share capital	3,453.97	-
Proceeds from short term borrowings*	662.23	700.00
Repayment of short term borrowings	(990.35)	(170.00)
Repayment of long term borrowings	(1,686.84)	-
Finance cost paid	(282.53)	(170.29)
Net cash flow from financing activities (C)	**1,156.48**	**359.71**
Net Cash Flows (increase) during the year (A+B+C)	**1,968.83**	**291.07**
Cash and cash equivalents at the beginning of the year	333.84	42.77
Cash and cash equivalents at the end of the year	**2,302.67**	**333.84**
Components of cash and cash equivalents		
Balances with scheduled banks		
- Current accounts	2,300.39	329.43
Cash on hand	2.28	4.41
Cash and cash equivalents at the end of the year	**2,302.67**	**333.84**

*Includes proceeds from 0.001% Preference shares

Notes:
1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows"
2. Also refer note 48 in relation to restructuring of borrowings

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No : 095109

Place: Pune
Date: 22 May 2019

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

P.V. Gurav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No : 39719)

Place: Pune
Date: 22 May 2019

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2019

1.1 Corporate Information

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

1.2 Basis of preparation

a) Statement of Compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 22 May 2019.

During the past years, the Company had been incurring cash losses affecting its ability to service its borrowings, creditors, other liabilities and similar obligations. The Joint Lenders Forum invoked Strategic Debt Restructuring ("SDR") on 11 January 2017 in compliance with the guidelines issued by the Reserve Bank of India ("RBI"). On 12 October 2017 the lead bank communicated that SDR could not be completed within the timeframe prescribed by RBI and loan given by the lenders to the Company has been classified Non-Performing Assets in the books of lenders.

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

Pursuant to a Resolution Plan, the Company, the lenders, the erstwhile promoters and the incoming investor entered into an agreement on 1 December 2018. The Resolution Plan mainly included partial waiver of the principal amount of loan and interest, issuance of equity shares to the incoming investor, transfer of pledged promoter shares to the incoming investor, grant / renewal of the credit facilities subject to certain terms and conditions and issuance of non-convertible redeemable preference shares.

The above plan received shareholders' approval on 7 January 2019.

The management believes that the above Resolution Plan, together with continued customer support and ownership change will result in revival of operations of the Company. Accordingly, the financial statements have been prepared on going concern basis.

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

b) Functional and presentation currency

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

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c) Basis of measurement

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

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

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March, 2019 is included in the following notes:

- Note 2 (g)(iii) and 42- measurement of defined benefit obligations: key actuarial assumptions
- Note 2 (b) - measurement of useful lives and residual values to property, plant and equipment
- Note 2 (c) - measurement of useful lives of intangible assets
- Note 1.2 (e) and 2(p) - fair value measurement of financial instruments and impairment thereon
- Note 2 (k) and 40 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources
- Note 2 (f) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2 (j) – impairment of non-financial assets

e) Measurement of fair values

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2. Significant accounting policies

2.1 Change in significant accounting policies

The Company has initially applied Ind AS 115 from 1 April 2018.

Due to the transition methods chosen by the Company in applying the above standard, comparative information throughout these financial statements has not been restated to reflect the requirements of new standard.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 in recognizing revenue by the Company.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 Revenue Recognition, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017-18 has not been restated - i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

2.2 Summary of significant accounting policies

a) Current and non-current classification

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

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Assets

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

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

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

Liabilities

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

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

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

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

Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Property, plant and equipment

Recognition and measurement

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

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

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

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

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

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

Subsequent expenditure

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of profit and loss as incurred.

Depreciation methods, estimated useful lives and residual value

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

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

(i) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
(ii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
(iii) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
(iv) Leasehold land is amortised over the primary lease period or the useful life, whichever is shorter.
(v) Freehold land is not depreciated

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

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

c) Intangible assets

Recognition and initial measurement

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

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

Subsequent expenditure

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

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Amortisation

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

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

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

d) Inventories

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

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

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

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

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/ Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Effective I April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the Statement of Profit and Loss is not restated - i.e. the comparative information continues to be reported under Ind AS 1 8. Refer note 2.1 - Significant accounting policies - Revenue recognition in the Annual report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the Standalone Financial Statements of the Company is insignificant.

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2019

Sale of goods

The Company recognized revenue when (or as) a perfonnance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts ae subject to modiication to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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Rendering of services

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

Sale of scrap

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

Other Income

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

f) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognized in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

g) Employee benefits

i) Short-term benefits

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

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

ii) Defined contribution plans

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

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

The Company makes specific contributions to provident fund.

iii) Defined benefit plans

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

Gratuity

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment. These are funded by the Company and are managed by the Life Insurance Corporation of India (LIC).
The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding

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debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit or loss in subsequent periods.

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

h) Foreign currency transactions and translation

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

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

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

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

i) Finance expense

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

j) Impairment of non-financial assets

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

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

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

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

k) Provisions and contingent liabilities

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

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

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

l) Borrowings and borrowing cost

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

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

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

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

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

m) Leases

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

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Where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

n) Segment reporting

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

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.
The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 36 for segment information.

o) Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.
When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

p) Financial instruments

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

i) Financial assets

Recognition and initial measurement

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

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

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Classification and subsequent measurement

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

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

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

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Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Derecognition

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

Impairment

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

Write-off

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

ii) Financial liabilities

Recognition and initial measurement

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

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Classification and subsequent measurement

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

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Gains or losses on derecognition of financial liabilities is recognised in the statement of profit and loss except where gains or losses arises on account of transaction with shareholders (acting in their capacity as shareholders), wherein the gain or loss is recognised in equity.

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

iii) Offsetting

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

q) Cash and cash equivalents

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

r) Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

s) Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

t) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.
Diluted earnings per equity share is computed by dividing the net profit/loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic

earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

u) Recent accounting pronouncements

A. Ind AS 116, Leases

Ind AS 1 16 sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Standalone Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. This new standard provides two approaches to transition:

1. Full retrospective approach- Under this approach, the lessee applies the new standard retrospectively to each prior period presented and recognised an adjustment in equity at the beginning of the earliest period presented in accordance with Ind AS -8.

2. Modified retrospective approach- Under this approach, the lessee applies the new standard from the beginning of the current period and recognised an adjustment in equity at the beginning of the current and does not restate its prior financial information.

The effective date for adoption of this standard is annual period beginning on or after 1 April 2019. The Company will adopt this standard using modified retrospective approach effective 1 April 2019 for transition to IND AS 116 and will be recognised as an adjustment to the opening balance of retained earnings at I April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has completed an initial assessment of the potential impact on its Financial Statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Financial Statements in the period of initial application is not reasonably estimable as at present.

B. Ind AS 19 – Employee Benefits

The amendments to Ind AS 19, clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its Financial Statements.

C. "Uncertainty over Income Tax Treatments", to Ind AS 12, Income Taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Balance cost as at 1 April 2017	1,743.52	97.41	5,412.01	7,991.40	7.99	7.46	236.96	15,496.75	198.69
Cost as at 1 April 2017	1,743.52	97.41	5,412.01	7,991.40	7.99	7.46	236.96	15,496.75	198.69
Add: Additions made during the year	-	-	1.91	18.42	1.84	2.28	0.07	24.52	-
Less: Disposals/ adjustments during the year	-	-	-	6.41	-	-	-	6.41	0.25
Balance as at 31 March 2018	1,743.52	97.41	5,413.92	8,003.41	9.83	9.74	237.03	15,514.86	198.44
Add: Additions made during the year	-	-	210.78	42.86	-	13.90	10.42	277.96	151.81
Less: Disposals/ adjustments during the year (refer note 36)	-	-	4.98	1,821.91	-	0.12	8.56	1,835.57	337.24
Balance as at 31 March 2019	**1,743.52**	**97.41**	**5,619.72**	**6,224.36**	**9.83**	**23.52**	**238.89**	**13,957.25**	**13.01**
Accumulated depreciation									
Balance as at 1 April 2017	-	4.41	243.23	733.24	5.31	4.27	37.85	1,028.31	-
Add: Depreciation expense for the year	-	4.46	250.30	739.15	2.36	2.53	36.43	1,035.23	-
Less: Disposals/ adjustments during the year	-	-	-	1.79	-	-		1.79	-
Balance as at 31 March 2018	-	8.87	493.53	1,470.60	7.67	6.80	74.28	2,061.75	-
Add: Depreciation expense for the year	-	4.43	240.75	748.23	0.97	2.56	37.71	1,034.65	-
Less: Disposals/ adjustments during the year (refer note 36)	-	-	1.22	400.49	-	0.10	5.76	407.57	-
Balance as at 31 March 2019	-	**13.30**	**733.06**	**1,818.34**	**8.64**	**9.26**	**106.23**	**2,688.83**	-
Net carrying amount									
As at 31 March 2019	1,743.52	84.11	4,886.66	4,406.02	1.19	14.26	132.66	11,268.42	13.01
As at 31 March 2018	1,743.52	88.54	4,920.39	6,532.81	2.16	2.94	162.75	13,453.11	198.44

Notes:
a) For details of assets pledged/ hypothecated as securities, refer note 18 and 22.
b) Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c) Capital work in progress as at 31 March 2019 is net of impairment provision of INR 1,154.97 (Previous year INR 1,154.97 lakhs).
d) Also refer note 36

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

4. Intangible assets

Particulars	**Software**	**Total**
Gross carrying amount		
Balance cost as at 1 April 2017	7.48	7.48
Add: Additions during the year	-	-
Less: Disposals / adjustments during the year	-	-
Balance as at 31 March 2018	7.48	7.48
Add: Additions during the year	32.12	32.12
Less: Disposals / adjustments during the year	-	-
Balance as at 31 March 2019	**39.60**	**39.60**
Accumulated amortisation		
Balance as at 1 April 2017	7.48	7.48
Add: Amortisation expense for the year	-	-
Less: Disposals / adjustments during the year	-	-
Balance as at 31 March 2018	7.48	7.48
Add: Amortisation expense for the year	3.26	3.26
Less: Disposals / adjustments during the year	-	-
Balance as at 31 March 2019	**10.74**	**10.74**
Net book value		
As at 31 March 2019	28.86	28.86
As at 31 March 2018	-	-

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

5. Non-current financial assets- Investments

	As at 31 March 2019	As at 31 March 2018
Investments in equity shares (at fair value through Profit and Loss)		
Unquoted equity instruments		
Kailash Motors Private Limited		
1000 (Previous year: 1000) equity shares of face value of INR 10/- each, fully paid up	0.10	0.10
Total	**0.10**	**0.10**
Aggregate amount of non-current unquoted investments	**0.10**	**0.10**
Aggregate amount of impairment in the value of investments	-	-

6. Non-current financial assets- Loans

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security deposits	57.68	44.00
Unsecured, considered doubtful		
Security deposits		47.71
	57.68	91.71
Less: Loss allowance for doubtful security deposits	-	47.71
Total	**57.68**	**44.00**
Movement in expected credit loss allowance on security deposits		
Opening balance	47.71	-
Add: Allowance measured at expected credit losses	-	47.71
Less: Utilisation during the year	47.71	-
Closing balance	-	47.71

Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost

7. Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Statutory dues paid under protest (refer note 46)	2,772.30	2,775.38
Capital advances	4.86	0.24
Prepaid expenses	7.26	0.85
Unsecured, considered doubtful		
Capital advances	17.75	17.75
	2,802.17	2,794.22
Less: Provision for doubtful capital advances	17.75	17.75
Total	**2,784.42**	**2,776.47**

8. Inventories*

Valued at lower of cost and net realisable value

	As at 31 March 2019	As at 31 March 2018
Raw material	659.66	419.44
Work in progress	681.09	439.74
Stores and spares	71.96	45.95
Scrap	31.72	21.38
	1,444.43	**926.51**

*During the year ended 31 March 2019, an amount of INR 33.14 lakhs (Previous year: INR 93.70 lakhs) was recognised as an expense for inventories carried at net realisable value

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9. Trade receivables

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good*	1,774.82	685.04
Unsecured, considered doubtful	1,474.35	1,701.72
	3,249.17	2,386.76
Less: Loss allowance for trade receivables (refer note 45(b))	1,474.35	1,701.72
	1,774.82	685.04
Total	1,774.82	685.04

* Includes amount receivable from related parties Nil (Previous year: INR 7.75 lakhs)
For terms and conditions of trade receivables and loss allowance related to trade receivables owing from related parties, refer note 43
The Company's exposure to credit and currency risks are disclosed in Note 45

10. Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- On current accounts	2,300.39	329.40
Cash on hand	2.28	4.44
Total	2,302.67	333.84

Information about Company's exposure to credit risks is disclosed in Note 45.

11. Bank balances other than cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Fixed deposits with bank under lien	87.26	107.34
Total	87.26	107.34

Deposits include INR 87.26 lakhs (Previous year: INR 107.34 lakhs) being fixed deposits held as margin money or security against borrowings, guarantees and other commitments.

12. Current financial assets- Loans

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security deposits	242.93	192.93
Loans to employees (including accrued interest)	7.26	2.63
Total	250.19	195.56

Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.

13. Current financial assets - Others

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Unbilled revenue	179.49	215.35
Interest accrued on term deposits	3.02	5.92
Other receivables	4.95	1.60
Doubtful		
Inter corporate deposits (refer note 47)	1,000.00	1,000.00
	1,187.46	1,222.87
Less: Loss allowance for inter corporate deposits	1,000.00	1,000.00
Total	187.46	222.87

Movement in expected credit loss allowance on Inter corporate deposits

Opening balance	1,000.00	1,000.00
Add: Allowance measured at expected credit losses	-	-
Less: Utilisation during the year	-	-
Closing balance	1,000.00	1,000.00

14. Other current assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Advance to suppliers	89.25	186.39
Balance with statutory/government authorities	123.85	1,216.70
Prepaid expenses	12.98	9.71
Sales tax incentive receivable	320.55	496.64
Subtotal	546.63	1,909.44
Unsecured, considered doubtful		
Advance to suppliers	43.47	74.79
Balance with statutory/government authorities	63.00	157.60
Subtotal	106.47	232.39
Total	653.10	2,141.83
Less: Provision for doubtful advances	106.47	232.39
Total	546.63	1,909.44

15. Assets held for sale

	As at 31 March 2019	As at 31 March 2018
Plant and Machinery (Refer note 36)	102.00	-
Total	102.00	-

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

16. Share capital

Authorised share capital	Equity shares		0.00001% Preference shares		0.001% Preference shares	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)	Number of shares	Amount (INR)
As at 31 March 2017	57,050,000	570,500,000	2,000,000	200,000,000	-	-
Increase/(Decrease) during the year	-	-	-	-	-	-
As at 31 March 2018	57,050,000	570,500,000	2,000,000	200,000,000	-	-
Increase during the year	35,000,000	350,000,000	-	-	6,800,000	680,000,000
As at 31 March 2019	92,050,000	920,500,000	2,000,000	200,000,000	6,800,000	680,000,000

Issued equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid up	Number of shares	Amount (INR)
As at 31 March 2017	54,942,964	549,429,640
Increase/(Decrease) during the year	-	-
As at 31 March 2018	54,942,964	549,429,640
Increase during the year	34,539,693	345,396,930
As at 31 March 2019	89,482,657	894,826,570

Equity component of 0.00001% preference shares of INR 100 each issued*	Number of shares	Amount (INR)
As at 31 March 2017	2,000,000	89,934,048
Increase/(Decrease) during the year	-	-
As at 31 March 2018	2,000,000	89,934,048
Increase during the year	-	-
As at 31 March 2019	2,000,000	89,934,048

*There are unpaid calls of INR 35 per share on 20,00,000 Preference Shares amounting to INR 700 lakhs. Accordingly, out of total issued shares of INR 2,000 lakhs, INR 1,300 lakhs is paid up.
These preference shares has been divided into debt and equity component. This note covers the equity component of the issued preference shares. The liability component is reflected at financial liabilities

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Equity shares				
At the commencement of the year	54,942,964	549,429,640	54,942,964	549,429,640
Add: shares issued during the year	34,539,693	345,396,930	-	-
At the end of the year	**89,482,657**	**894,826,570**	**54,942,964**	**549,429,640**

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
0.00001% Preference shares of Rs.100 each				
At the commencement of the year and end of the year	2,000,000	130,000,000	2,000,000	130,000,000

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
0.001% Preference shares of Rs.100 each				
At the commencement of the year	-	-	-	-
Add: shares issued during the year as part satisfaction of outstanding debt (refer note 48)	6,586,000	658,600,000	-	-
Add: shares issued during the year for cash	162,229	16,222,900	-	-
At the end of the year	**6,748,229**	**674,822,900**	-	-

b) Terms, rights, preferences and restrictions attached to shares
Equity shares: The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held.

0.00001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. These carry coupon rate of 0.00001% per annum and are redeemable only on completion of 10 years from the date of allotment and are non-transferable unless fully paid-up.

0.001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. These carry coupon rate of 0.001% per annum and are redeemable on completion of 5887 days from the date of sissue.

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of INR 10/- each fully paid held by				
Dr. Kailash Gupta	-	-	23,609,495	42.97%
Ms. Nandini Malpani (On behalf of Jaslin Beneficiary Trust)	-	-	3,213,443	5.85%
Mrs. Rekha Gupta	-	-	3,439,590	6.26%
Jupiter Wagons Limited	40,666,835	45.45%	-	-
Axis Bank Limited	8,349,158	9.33%	-	-
Tatravagonka, AS	6,800,518	7.60%	-	-
Tata Capital Growth Fund (I)	5,593,461	6.25%	6,005,401	10.93%
Mohan Lal Lohia-HUF	4,533,678	5.07%	-	-
0.00001% Preference shares of INR 100/- each not fully paid held by				
Dr. Kailash Gupta and Mrs. Rekha Gupta (Jointly)	2,000,000	100%	2,000,000	100%
0.001% Preference shares of INR 100/- each fully paid held by				
Axis Bank Limited	6,586,000	98%		-

d) Details of call unpaid

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
0.00001% Preference shares				
Aggregate of calls unpaid				
- By Director/Promoter (now erstwhile promoter w.e.f 24 January 2019)	2,000,000	70,000,000	2,000,000	70,000,000

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17. Other equity

	Note	As at 31 March 2019	As at 31 March 2018
General reserve	A	9.80	9.80
Capital reserve	B	8.72	8.72
Securities Premium	C	12,837.80	12,837.80
Deemed contribution by shareholders (refer note 48)	D	3,983.11	-
Surplus / (Deficit) in Statement of Profit and Loss	E	(17,101.50)	(25,967.68)
Equity component of compound financial instrument	F	899.34	899.34
Total		**637.27**	**(12,212.02)**

	As at 31 March 2019	As at 31 March 2018
A. General reserve		
Balance as at the beginning of the year	9.80	9.80
Balance at the end of the year	**9.80**	**9.80**
B. Capital reserve		
Balance as at the beginning of the year	8.72	8.72
Balance at the end of the year	**8.72**	**8.72**
C. Securities Premium		
Balance as at the beginning of the year	12,837.80	12,837.80
Balance at the end of the year	**12,837.80**	**12,837.80**
D. Deemed contribution by shareholders		
Balance as at the beginning of the year	-	-
Add: Addition during the year	3,983.11	-
Balance as the end of the year	**3,983.11**	**-**
E. Surplus / (Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(25,967.68)	(22,281.73)
Add: Profit/(loss) for the year	8,867.38	(3,691.27)
Items of other comprehensive (expense) / income recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	(1.20)	5.32
Balance at the end of the year	**(17,101.50)**	**(25,967.68)**
F. Equity component of compound financial instrument		
2,000,000 (Previous year: 2,000,000) Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) of INR 100/- each, INR 35 (Previous year: INR 35) not paid up	899.34	899.34
Total	**899.34**	**899.34**
Total other equity	**637.27**	**(12,212.02)**

Nature and purpose of reserve

i. General reserve

This represents appropriation of profit by the Company and is available for distribution of dividend

ii. Capital reserve

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

iii. Securities premium

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

iv. Deemed contribution by shareholders

During the year, pursuant to restructuring of loans, INR 3,983.11 lakhs has been waived off by the lenders against pledge of equity shares of shareholders. Hence, the same has been considered as deemed contribution by them. Also refer to note 48

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

18. Borrowings

	As at 31 March 2019	As at 31 March 2018
Secured		
Term loans from banks*	2,036.23	-
Unsecured		
Liability component of compound financial instrument	645.45	570.84
0.001% Preference shares (refer note 16(b))	721.59	-
	3,403.27	**570.84**
Add: Current maturities of non-current borrowings*:		
Secured loans		
Term loans from banks	285.24	6,300.00
Term loans from others	-	2,559.60
External commercial borrowing (ECB)	-	3,122.12
Total borrowings (including current maturities)	**3,688.51**	**12,552.56**

*During the financial year 2017-18, loans had been classified as current since the Company had defaulted in repayment as per the terms of agreement and accordingly, the loans given to the Company has been classified as Non-Performing Assets in the books of lenders during the financial year 2017-18

Repayment terms and security disclosure for the outstanding non-current borrowings as at 31 March 2019 and 31 March 2018:

Particulars			As at 31 March 2019	As at 31 March 2018
Terms of Borrowings	**Security**	**Terms of Repayment**		
(1) Axis Bank Limited a) Rupee term loan of INR 2,321.47 Lakhs (net of processing fees) (Previous year Nil) carrying interest to 12.20%	Primary i. First charge on the entire fixed assets, both movables and immovables, present and future. ii. Second charge on the entire current assets including receivables, present and future. iii. Non-disposal undertaking of 51% shares of promoters in the Company. iv. Guarantors: a) Unconditional and irrevocable corporate guarantee of Jupiter Wagons Limited b) Personal guarantee of Mr. Vivek Lohia and Mr. Vikash Lohia (Directors in Jupiter Wagons Limited).	Repayable in 29 quarterly installments starting from 31 March 2019	2,321.47	-
(b) Corporate Loan of Nil (Previous year: INR 600 Lakhs) carrying interest rate of 14.50% p.a.	Primary Security- Equitable mortgage on certain properties of group concerns (Kailash Automobiles and Commercial Automobiles Pvt. Ltd.) and promoter along with his relatives. Subservient charge without no objection certificate on entire fixed assets of the company, present and future. Pledge of 26.74% shareholding of the promoters in the company. Personal guarantee of Mr. Kailash Gupta, Mrs. Rekha Gupta and Mrs. Nandani Malpani	Repayable in 9 quarterly installments commencing from the end of 12 months from the date of first disbursement i.e 13 December 2013	-	600.00
c) ECB loan of Nil (Previous year: INR 3,122.12 Lakhs) carrying variable interest rate @ 6 months LIBOR + 350 bps margin.	Primary Security- Exclusive charge on all the moveable and immoveable fixed assets, present and future, pertaining to unit at Deori Collateral Security: Pari passu first charge on the remaining fixed assets of the company, present and future, along with other lenders of the company, except the equipments which are exclusively and specially charged to banks/financial institution. Second pari passu charge on the entire current assets of the company, both present and future.	Repayable in quarterly 20 equal installments starting from 21st month from the date of 1st disbursement i.e. 17 February 2012.	-	3,122.12
d) Rupee term loan of Nil (Previous year: INR 2,500 Lakhs) carrying interest @ 14.15%.	Primary Security: Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richhai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments, which are exclusively and specifically charged to banks/financial institutions. Collateral Security: Pari passu second charge on the entire current assets of the company, both present and future, except on specific equipments which are exclusively and specifically charged to banks/financial institutions. Personal guarantee of Mr. Kailash Gupta, Mrs. Rekha Gupta and Mrs. Nandani Malpani	Repayable in 21 monthly installments starting from 31 December 2016	-	2,500.00
e) Rupee term loan of Nil (Previous year: INR 1,000 Lakhs) carrying interest @ 13.45%	Primary Security: Extension of first charge on entire fixed asset of the company except factory land and building situated at industrial estate Richhai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments which are exclusively and specifically charged to banks/financial institutions	Repayable in 3 equal quarterly installments starting from 27 July 2017.	-	1,000.00

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	Collateral Security: Pari passu second charge on the entire current assets of the company, both present and future. Personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta.			
i) Rupee term loan of Nil (Previous year: INR 2,200 Lakhs) carrying interest @ 13.35%.	Primary Security: Extension of first charge on entire fixed asses of the company except factory land and building situated at industrial estate Richhai, Jabalpur, factory land and building situated at Jamshedpur and specific equipments which are exclusively and specifically charged to banks/financial institutions Collateral Security: Pledge of 26.74% shareholding of the promoters in the company Personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta	Repayable in 3 equal quarterly installments starting from 28 October 2017.	-	2,200.00
III) Tata Capital Financial Services Limited a) Term loan of Nil (Previous year: INR 2,559.60 Lakhs) carrying interest rate of 14.50% p.a	Primary Security: Extension of First pari passu charge along with Axis Bank on: 1. Factory land and building at Jamshedpur unit 2. Factory land and building situated at plot Nos. 21, 22 (area measuring 90,000 square feet) and Plot Nos. 33, 34 (area measuring 126,000 square feet) at industrial Estate, Richai, Jabalpur Extension of second charge on all other fixed assets of the company along with Axis Bank and HDFC Bank Collateral Security: Pledge of 15,899,914 unencumbered shares of the Company held by Jasha Beneficiary Trust and Mr. Kailash Gupta Guarantee 1. Irrevocable and unconditional personal guarantee of Mr. Kailash Gupta and Mrs. Rekha Gupta. 2. Irrevocable and unconditional personal guarantee of Mrs. Nandani Malpani to the extent value of shares (No. of shares 3,213,443) 3. Irrevocable and unconditional corporate guarantee of Jasha Beneficiary Trust. As on 31 March 2019, charge in relation to above securities has been released by the lender	Repayable on monthly basis till maturity Principal - 6 months moratorium starts from date of first tranche disbursement made in various installments from 16 December 2014 to 25 February 2015, thereafter payable in a structured manner	-	2,559.60

Breach of loan covenant

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

Particulars		As at 31st March 2019		As at 31st March 2018	
		Period of default	Amount	Period of default	Amount
Corporate Loan (INR 600 Lakhs)					
	Principal	-	-	1-455 Days	600.00
	Interest	-	-	1-486 Days	143.67
Rupee Term Loan (INR 2,500 lakhs)					
	Principal	-	-	1-455 Days	2,500.00
	Interest	-	-	1-486 Days	529.63
Rupee Term Loan (INR 1,000 lakhs)					
	Principal	-	-	1-247 Days	1,000.00
	Interest	-	-	1-486 Days	199.81
Rupee Term Loan (INR 2,200 lakhs)					
	Principal	-	-	1-154 Days	2,200.00
	Interest	-	-	1-486 Days	446.42
External Commercial Borrowings (ECB)					
	Principal	-	-	1-514 Days	3,122.12
	Interest	-	-	1-514 Days	264.18
Other Term Loan from NBFC					
	Principal	-	-	1-758 days	2,559.60
	Interest	-	-	1-758 days	839.43

Also refer note 48

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19. Other non-current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Security deposits	5.10	5.00
Total	5.10	5.00

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.

20. Non-current provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 42)		
- Gratuity	24.14	33.72
Total	24.14	33.72

21. Other non-current liabilities

	As at 31 March 2019	As at 31 March 2018
Amount of duty refundable/ payable to customers*	2,856.17	3,388.55
Total	2,856.17	3,388.55

*Includes INR 2,688.07 lakhs (Previous year: INR 2692.11 Lakhs) pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has been availing Cenvat credit on chassis and has been paying Excise Duty on the Fully Built Vehicle (FBV) which is lying under "Other non-current assets" as duty paid under protest on behalf of customers

22. Current financial liabilities - Borrowings

	As at 31 March 2019	As at 31 March 2018
Secured loans		
From banks		
Cash credit facilities	-	2,459.72
Unsecured loans		
From banks		
Loans repayable on demand	-	1,598.37
From others		
Loans and advances from related parties (refer note 43)	-	262.55
Loans and advances from others	262.55	-
Loans from body corporates	200.00	200.00
Total	462.55	4,520.64

(i) Nature of Security

Cash Credit Facilities are secured by either one or more of the following as per terms of arrangement with respective banks:

Axis Bank:
Primary Security:
Pari-passu first charge on the entire current assets of the company, both present and future.

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

HDFC Bank*:
Primary Security:
Pari-passu first charge on the entire current assets of the company, both present and future.

Collateral Security:
Second pari-passu charge on entire fixed assets of the company, both present and future
*As on 31 March 2019, charge in relation to above securities has been released by the lender

(ii) Breach of loan covenant

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Period of default	Amount	Period of default	Amount
Cash Credit Facilities				
Principal	-	-	1-182 Days	2,459.72
Interest	-	-	1-182 Days	505.59
Working capital loans				
Principal	-	-	1-121 Days	1,068.37
Interest	-	-	1-121 Days	208.82

(iii) Analysis of movement in borrowings

Particulars	As at 31 March 2018	Cashflows	Non cash changes			As at 31 March 2019
			Other changes	Foreign exchange movements	Fair value changes	
Non Current Borrowings (including current maturities)	12,532.36	-	(8,864.05)	-	-	3,686.51
Current Borrowings	4,520.64	-	(4,058.09)	-	-	462.55

Refer note 48

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23. Current financial liabilities- Trade payables

	As at 31 March 2019	As at 31 March 2018
Due to Micro and Small Enterprises (refer note 44)	166.69	112.12
Due to creditors other than Micro and Small Enterprises (refer note a below)	2,363.72	2,447.14
Total	**2,530.41**	**2,559.26**

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45

Notes:
a) it includes trade payable to related parties of INR 6.59 lakhs (Previous year: INR 6.59 lakhs)
b) For terms and conditions of trade payables owing to related parties, refer note 43

24. Other current financial liabilities

	As at 31 March 2019	As at 31 March 2018
Capital Creditors	88.73	94.06
Interest accrued and due on borrowings (refer note 48)	124.97	3,294.96
Interest accrued and not due on borrowings	26.63	-
Current maturities of long term borrowings (refer note 18 and note 48)	285.24	12,126.51
Interest accrued on statutory dues	18.67	17.77
Deposits from contractors and others	11.59	11.39
Employee benefits payable	87.22	72.62
Total	**643.05**	**15,617.31**

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45

25. Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Advances from customers	661.89	300.29
Statutory dues payable	246.83	160.76
Total	**908.72**	**461.05**

26. Current provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 42)		
- Gratuity	24.00	10.98
- Compensated absences	34.47	21.53
Provision for litigations	138.71	139.78
Total	**197.18**	**172.29**

Movement in provision for litigations

Opening balance	139.78	
Add: Provision recognised during the year	-	139.78
Less: Utilisation during the year	(1.07)	-
Closing balance	**138.71**	**139.78**

27. Current tax liabilities (net)

	As at 31 March 2019	As at 31 March 2018
Provision for income tax [net of advance income tax INR 682.48 lakhs (Previous year: INR 682.48 lakhs)]	241.78	241.78
Total	**241.78**	**241.78**

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28. Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Sale of load bodies and components	21,270.71	9,806.35
Sale of services		
Job work charges	2.03	28.40
Other operating revenue		
Sale of scrap	282.18	126.59
Sales tax incentive	24.87	-
Others	0.17	2.62
Total	**21,579.96**	**9,963.96**

Revenue from operations, computed in accordance with Ind AS 115 'Revenue from contracts with customers', for the current year is not comparable with previous year since the same is net of Goods and Service Tax (GST) whereas excise duty form part of expenses in previous year and current year (uptill 30 June 2017). The comparative revenue from operations of the Company is given below:

Revenue from operations	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations (as reported)	21,579.96	9,963.96
Less : Excise duty on sales	-	(247.46)
Revenue from operations (net of excise duty)	21,579.96	9,716.50

Contract Balances	For the year ended 31 March 2019	For the year ended 31 March 2018
Trade receivables	1,774.82	685.04
Unbilled revenue	179.49	215.35

Reconciliation of revenue recognised with the contracted price is as follows	For the year ended 31 March 2019
Contracted price	21,754.85
Reduction towards variable consideration components	(174.89)
Revenue recognised	21,579.96

The reduction towards variable consideration comprises of discounts etc.

29. Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- Deposits with banks	7.66	8.83
- Deposits with others	3.08	2.67
Profit on sale of property, plant and equipment (net)	-	17.43
Provisions/liabilities no longer required, written back	63.22	73.28
Miscellaneous income	1.94	14.22
Total	**75.91**	**116.43**

30 Cost of materials consumed

	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw materials at the beginning of the year	465.40	422.32
Add: Purchases	18,312.04	8,013.55
	18,777.44	8,435.87
Less: Raw material at the end of the year	731.62	465.40
Total cost of materials consumed	**18,045.82**	**7,970.47**

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31. Changes in inventories of work-in-progress and scrap

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock		
Work-in-progress	439.73	272.41
Scrap	21.38	2.53
Total	**461.11**	**274.94**
Closing stock		
Work-in-progress	681.08	439.73
Scrap	31.72	21.38
Total	**712.80**	**461.11**
Total changes in inventories of work-in-progress and scrap	**(251.69)**	**(186.17)**

32. **Employee benefits expense**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages, bonus, gratuity and allowances	583.37	428.13
Contribution to provident and other funds	27.77	23.48
Staff welfare expenses	67.96	43.73
Total	**679.10**	**495.34**

Refer note 40 for disclosure on gratuity

33. **Finance costs**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on financial liabilities at amortised cost*	2,132.85	2,487.37
Interest expense on delay in deposit of TDS	18.08	-
Bill discounting charges	-	117.74
Others	63.52	172.85
Total	**2,214.45**	**2,777.96**

*Also refer note 48

34. **Depreciation and amortisation expense**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	1,034.65	1,035.23
Amortisation on intangible assets	3.26	-
Total	**1,037.91**	**1,035.23**

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35. Other expenses	For the year ended 31 March 2019	For the year ended 31 March 2018
Labour charges	897.26	490.35
Power and fuel	258.58	150.61
Repair and maintenance		
- Buildings	11.30	1.51
- Plant and machinery	138.81	31.37
- Others	38.21	28.36
Rent	7.53	7.21
As auditors:		
- Audit fee	8.50	12.00
- Limited review fee*	7.50	7.50
- Out-of-pocket expenses	9.21	7.83
In other manner:		
-Certification and other services	2.75	-
Insurance	10.04	11.17
Rates and taxes	127.51	201.28
Postage and telephone expenses	8.03	6.52
Travelling and conveyance	29.39	27.89
Vehicle running expenses	25.34	16.40
Printing and stationery	8.35	4.12
Freight and transport	8.34	9.11
Sales expenses	40.69	35.79
Security charges	60.64	54.72
Legal and professional	129.72	46.90
Director sitting fees	5.85	4.60
Irrecoverable balances written off (net of provision utilisation of INR 401.01 Lakhs (Previous year: Nil))	-	-
Loss on assets held for sale	25.45	-
Allowance for doubtful debts and advances (net)	11.61	244.02
Miscellaneous expenses	45.76	32.11
Total	**1,916.37**	**1,431.37**

*includes fees of INR Nil (Previous year: INR 2.50 lakhs) paid to erstwhiie auditors.

36. Exceptional items	For the year ended 31 March 2019	For the year ended 31 March 2018
Gain on waiver of pricipal and interest (Refer note 48)	12,457.45	-
Loss on assets held for sale*	(1,603.98)	-
Total	**10,853.47**	-

*During the year ended 31 March 2019, the Company has undertaken review of certain activities and assets held for the same. The Company has identified certain assets having Written Down Value (WDV) of Rs 1,700.63 Lakhs as at 31 March 2019 and included them under 'Assets held for sale' at their estimated net realisable value. The loss of Rs. 1,603.98 Lakhs being difference between WDV and estimated realizable value has been recorded under the head 'Exceptional Items'

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37. Income tax

A. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2019 and 31 March 2018:

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Rate	Amount	Rate	Amount
Profit / (loss) before tax		8,867.38		(3,691.27)
Tax using the Company's domestic tax rate	26.00%	2,305.52	26.00%	(959.73)
Tax effect of:				
Non-deductible expenses	0.60%	52.89	-24.90%	919.18
Non-taxable income	-34.96%	(3,099.59)	0.52%	(19.05)
Unrecognised tax losses/depreciation	8.36%	741.18	-1.61%	59.60
Effective tax rate	-	(0.00)	-	0.00

B. Deferred tax assets/ liabilities

As at 31 March 2019, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainity of taxable profits in future years, deferred tax assets have not been recognised. The Company reassess the unrecognised deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets/ (liabilities)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	195.46	193.60	-	-	195.46	193.60
Provision for gratuity and compensated absences	7.69	17.22	-	-	7.69	17.22
Unabsorbed depreciation	3,928.49	3,531.77	-	-	3,928.49	3,531.77
Business loss	3,139.56	2,917.64	-	-	3,139.56	2,917.64
Provision for trade receivables and other advances	681.16	779.89	-	-	681.16	779.89
Total	7,952.36	7,440.12	-	-	7,952.36	7,440.12

C. Movement of temporary differences

Particulars	As at 1 April 2017	Movement during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018	Movement during 2018-19	Recognised in OCI during 2018-19	As at 31 March 2019
Property, plant and equipment	-	193.60	-	193.60	1.86	-	195.46
Provision for gratuity and compensated absences	20.91	(3.69)	-	17.22	(9.53)	-	7.69
Unabsorbed depreciation	3,659.94	(128.17)	-	3,531.77	396.72	-	3,928.49
Business loss	3,246.88	(329.24)	-	2,917.64	221.92	-	3,139.56
Provision for trade receivables and other advances	859.88	(79.99)	-	779.89	(98.73)	-	681.16
Total	7,787.61	(347.49)	-	7,440.12	512.24	-	7,952.36

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D. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2019		As at 31 March 2018	
Expire Year	**Gross amount**	**Unrecognised tax effect**	**Gross amount**	**Unrecognised tax effect**
Business Loss				
FY 2021-22	3,492.34	908.01	3,492.34	908.01
FY 2022-23	3,762.74	978.31	3,762.74	978.31
FY 2023-24	1,790.56	465.54	1,790.56	465.54
FY 2024-25	1,462.08	380.14	1,462.08	380.14
FY 2025-26	242.71	63.10	713.98	185.63
FY 2026-27	1,324.82	344.45	-	-
Unabsorbed depreciation				
Never expire	15,109.57	3,928.49	13,583.71	3,531.77
	27,184.82	7,068.04	24,805.41	6,449.40

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38. Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors collectively who have been identified as Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The principal business of the Company is sheet metal fabrication and bodybuilding. All these activities of the Company revolve around its main business. Hence there is only one reportable segment.

B. Geographical information

The Company's revenue from operations i.e. sheet metal fabrication and bodybuilding is located in India only. Hence, no additional disclosure about geographical information has been given

C. Major customers

Revenue from customers of the Company's single segment which is more than 10 percent of the Company's total revenue are as follows:

Name of the Customer	For the year ended 31 March 2019	For the year ended 31 March 2018
Tata Motors Limited	12,981.46	1,258.81
Volvo Eicher Commercial Vehicle Limited	4,283.16	3,689.10
Man Truck India Pvt. Limited	-	1,325.39
Total	**17,264.62**	**6,273.30**

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39. Operating lease - As a lessee

The Company has entered into operating leases agreement, 01.03.2008, for factory land for 30 years, which can be further renewed for an additional term of 10 years. Escalations in lease rentals will be ought to around one quarter of the rent after every 10 years. The lease rental expense recognised in the Statement of Profit and Loss for the year in respect of cancellable and non-cancellable leases is INR 7.33 lakhs (Previous Year - INR 7.21 lakhs). The future minimum lease expense in respect of non-cancellable leases is as follows.

Particulars	As at 31 March 2019	As at 31 March 2018
Payable within one year	5.40	5.40
Payable between one and five years	21.60	21.60
Payable later than five years	70.20	75.60
	97.20	**102.60**

40. Contingent liabilities and commitments

A. Contingent liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax matters	15.93	610.58
Excise duty related to Rule10A matter*	-	-
Other Excise duty and Service tax matters {INR 0.55 Lakhs (Previous Year INR 0.53 Lakhs) paid under protest}	2,075.21	2,074.95
Sales tax and Entry tax matters {INR 78.66 Lakhs (Previous Year INR 78.66 Lakhs) paid under protest}	1,893.23	1,893.23
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	-	47.95
Total	**3,984.37**	**4,626.71**

1 The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

2 It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

3 Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicability of the judgement and period from which the same applies. The Company has estimated the impact of the same from 1 March 2019 to 31 March 2019 based on a prospective approach and has recognised the same in the financial statements.

Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years. Further, management also believes that the impact of the same on the Company will not be material.

*Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 0/2007-CE(N.T) dated 1st March, 2007, the Company has started paying differential Excise Duty on behalf of customer on sales made to them since September 2010 under protest. The Excise department has issued demand notices in respect of this matter aggregating INR 2,805.10 Lakhs (Previous year - INR 2,819.35 Lakhs). The aggregate of total payment made under protest up to the year-end is INR 2,688.07 Lakhs (Previous year - INR 2,692.11 Lakhs). Since the liability, if any in this regard is recoverable from the customer, there will be no impact on Statement of Profit and Loss as consequence of the outcome of this case.

B. Commitments

a. **Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 38.95 lakhs (Previous year INR 38.95 lakhs).

b. **Other commitments:** The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses

c. **Lease commitments:** Refer note 39 in respect of commitment with regard to leases

41. Earning per share

Basic and diluted earning/(loss) per share

Basic and diluted earning/(loss) per share is calculated by dividing the loss during the year attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year

Particulars	Unit	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) after tax attributable to equity shareholders	(INR in lakhs)	8,867.38	(3,691.27)
Weighted average number of equity shares outstanding during the year	(in number)	61,472,385	54,942,964
Nominal value per share	INR	10.00	10.00
Basic and diluted earning/(loss) per share	INR	14.42	(6.71)

Reconciliation of weighted average number of equity shares for calculation of Basic and diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of INR 10 per share		
Balances as at 1 April 2017	**54,942,964**	**54,942,964**
Issued during the year 2017-18	-	-
Balance as at 31 March 2018	**54,942,964**	**54,942,964**
Issued during the year 2018-19	34,539,693	6,529,421
Balance as at 31 March 2019	**89,482,657**	61,472,385

At present, the Company does not have any dilutive potential equity shares

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

42. Employee benefits

During the year, the Company has recognized following amounts in the statement of profit and loss

A. Defined Contribution plans

The Company has recognised the following amounts in the statement of profit and loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Employer's contribution to provident fund	22.66	19.78
Employer's contribution to employees' state insurance	3.11	3.70

B. Defined benefit plans

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service

The employees' gratuity fund scheme administered by the Company employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation

The following table set out the status of the defined benefit obligation

	31 March 2019	31 March 2018
Net defined benefit liability- Gratuity	48.14	43.72
Total employee benefit liabilities		
Non current	24.14	33.72
Current	24.00	10.00

For details about the related employee benefit expenses, refer note 32.

(i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	85.04	87.52
Benefits paid	(5.04)	(11.86)
Current service cost	9.22	9.63
Interest cost	6.36	6.20
Actuarial (gains)/ losses recognised in other comprehensive income		
- changes in financial assumptions	-	(3.84)
- demographic assumptions	(0.02)	-
- experience adjustments	0.30	(2.61)
Balance at the end of the year	**95.86**	**85.04**

(i) Reconciliation of the present value of plan assets

The following table shows a reconciliation from the opening balances to the closing balances for the plan assts

Particulars	31 March 2019	31 March 208
Balance at the beginning of the year	41.33	44.40
Contributions paid into the plan	9.01	6.50
Benefits paid	(5.04)	(11.86)
Interest income	3.36	3.42
Actual return on plan assets recognised in other comprehensive income	(0.92)	(1.13)
Balance at the end of the year	**47.74**	**41.33**

ii) Expense recognized in profit or loss

Particulars	31 March 2019	31 March 2018
Current service cost	9.22	9.63
Interest cost	6.36	6.20
Interest income	(3.36)	(3.42)
	12.22	**12.41**

iii) Remeasurements recognized in other comprehensive income

Particulars	31 March 2019	31 March 2018
Actuarial (gain) / loss on defined benefit obligation	0.28	(6.45)
Return on plan assets excluding interest income	0.92	1.13
	1.20	**(5.32)**

iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

Particulars	31 March 2019	31 March 2018
Financial assumptions (p.a.)		
Discount rate	7.75%	7.75%
Future salary growth	7.00%	7.00%
Expected return on Assets	7.50%	7.50%
Demographic assumptions		
Mortality rate		
Withdrawal rate		
Retirement age	60 years	60 years

As at 31 March 2019, the weighted average duration of the defined benefit obligation was 9.58 years (Previous year: 9.70 years)

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v) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(2.22)	2.39	(2.04)	2.20
Future salary growth (0.50%)	2.40	(2.25)	2.21	(2.07)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown

vi) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at 31 March 2019	As at 31 March 2018
Year 1	5.48	5.92
Year 2	7.89	4.11
Year 3	4.71	7.22
Year 4	8.76	5.86
Year 5	8.26	7.99
next 5 years	205.34	186.90

The Company expects to contribute INR 24 lakhs (Previous year : INR 10 lakhs) towards gratuity fund scheme in the next financial year

C. Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

a) Interest risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds

b) Longitivity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan particilants both during and after their employement. An increase in the life expectancy of the plan participants will increase the plan's liability

c) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

43. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

Party in respect of which the Company is an associate
1 Jupiter Wagons Limited (w.e.f 22 January 2019)

Key managerial personnel
As on 31 March 2019

S. No.	Name	Designation
1	Mr. Abhishek Jaiswal	Executive Director
2	Mr. Amit Jain	Chief Financial Officer and Company Secretory
3	Mr. Prakash Y. Garav	Non Executive Independent Director
4	Mr M V Rajarao	Non Executive Independent Director
5	Ms. Vineeta Shriwani	Non Executive Independent Director
6	Mr. Kailash Gupta*	Non Executive Promoter Director^
7	Mr. Prabhakar Dalal (upto 1 September 2017)	Non Executive Independent Director
8	Mr. Asim Ranjan Das Gupta (w.e.f. 22 January 2019)	Non Executive Director

*Key managerial personnel upto 21 January 2019
^Director upto 27 September 2017

Enterprise over which key management personnel or their relatives are able to exercise significant influence

S. No.	Name
	Upto 21 January 2019
1	Commercial Automobiles Private Limited
2	Shivam Motors Private Limited
3	J N Auto Limited (Unit Rekha Engineering)
4	Kailash Motors Private Limited
5	Kailash Motors
6	Commercial Motors Sales Private Limited

B. Transactions with related parties:

Party in respect of which the Company is an associate

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of Raw Materials		
Jupitar Wagons Limited	69.01	

Enterprise over which key management personnel or their relatives are able to exercise significant influence

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of finished goods		
Commercial Automobiles Private Limited	766.66	1,025.85
Reimbursement of expenses		
Commercial Automobiles Private Limited	1.21	0.41
Commercial Motors Sales Private Limited	0.37	0.35
Kailash Motors	0.53	1.08
Payment against reimbursement of expenses received		
Commercial Motors Sales Private Limited	1.21	1.02
Commercial Automobiles Private Limited	0.37	0.41
Kailash Motors	0.53	0.67

Transactions with key management personnel

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Abhishek Jaiswal	30.79	30.13
Mr. Amit Jain	21.32	21.45
Reimbursement of expenses		
Mr. Kailash Gupta	-	0.13
Payment against reimbursement of expenses received		
Mr. Kailash Gupta	-	0.13
Total compensation paid to key management personnel	**52.11**	**51.82**

* Key management personnel are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability liability for Key management personnel cannot be ascertained separately, except for the amount actually paid.

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

Transactions with key management personnel other than above

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Director sitting fees	-	0.40
Mr Kailash Gupta	2.30	1.75
Mr Prakash Y Gurav	1.60	1.75
Mr M V Rajarao	-	0.70
Mr Prabhakar Dalal	1.95	-
Mrs Vineeta Sriwani		
	5.85	4.60
Total compensation paid to key management personnel		

Balances with related parties

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivable		
Enterprise over which key management personnel or their relatives are able to exercise significant influence	-	7.75
J.N. Auto Limited (Hari Rekha Engineering)		
	-	7.75
Total		
Trade payables		
Enterprise over which key management personnel or their relatives are able to exercise significant influence	-	46.75
Shivam Motors Private Limited	-	144.49
Commercial Automobiles Private Limited	-	0.41
Kailash Motors		
	-	191.64
Total		
Trade payables		
Party in respect of which the Company is an associate	69.01	-
Jupiter Wagons Limited		
	69.01	-
Total		
Other current financial liabilities		
Key Managerial Personnel	-	6.59
Mr Kailash Gupta	-	1.32
Mr Abhishek Jaiswal		
	-	7.91
Total		
Current financial liabilities - Borrowings		
Key Managerial Personnel	-	262.55
Mr Kailash Gupta		
	-	262.55
Total		
Non Current financial liabilities - Borrowings		
Key Managerial Personnel	-	570.84
Mr Kailash Gupta		
	-	570.84
Total		

Particulars	As at 31 March 2019	As at 31 March 2018
Investment		
Enterprise over which key management personnel or their relatives are able to exercise significant influence	-	0.10
Kailash Motors Private Limited		
	-	0.10
Total		
Unpaid Calls on Non- Convertible Cumulative Redeemable Preference shares		
Key Managerial Personnel	-	700.00
Mr Kailash Gupta		
	-	700.00
Total		

Notes:

1. **Terms and conditions of transactions with the related parties**
Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
Also refer note 48

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44. Details of dues to micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act (MSMED), 2006:

Particulars	As at 31 March 2019	As at 31 March 2018
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period		
- Principal	166.69	78.12
- Interest	19.02	33.26
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	-	9.47
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period.	19.02	33.26
(f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006	-	-

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45. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 31 March 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	-
(ii) Loans*	-	-	44.00	44.00	-	-	-
Current							
(i) Investments*	-	-	-	-	-	-	-
(ii) Trade receivables*	-	-	685.04	685.04	-	-	-
(iii) Cash and cash equivalents*	-	-	333.84	333.84	-	-	-
(iv) Bank balances other than (iii) above*	-	-	107.34	107.34	-	-	-
(v) Loans*	-	-	195.56	195.56	-	-	-
(vi) Other financial assets*	-	-	222.87	222.87	-	-	-
Total	0.10	-	1,588.65	1,588.75			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	570.84	570.84	-	-	-
(ii) Trade payables*	-	-	-	-	-	-	-
(iii) Other financial liabilities*	-	-	5.00	5.00	-	-	-
Current							
) Borrowings#	-	-	4,520.64	4,520.64	-	-	-
(ii) Trade payables*	-	-	2,559.26	2,559.26	-	-	-
(iii) Other financial liabilities*	-	-	15,617.31	15,617.31	-	-	-
Total	-	-	23,273.05	23,273.05			

ii. As on 31 March 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	-
(ii) Loans	-	-	57.68	57.68	-	-	-
(iii) Other financial assets	-	-	-	-	-	-	-
Current							
(ii) Trade receivables*	-	-	1,774.82	1,774.82	-	-	-
(iii) Cash and cash equivalents*	-	-	2,302.67	2,302.67	-	-	-
(iv) Bank balances other than (iii) above*	-	-	87.26	87.26	-	-	-
(v) Loans*	-	-	250.19	250.19	-	-	-
(vi) Other financial assets*	-	-	187.46	187.46	-	-	-
Total	0.10	-	4,660.08	4,660.18			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	3,403.27	3,403.27	-	-	-
(iii) Other financial liabilities	-	-	5.10	5.10	-	-	-
Current							
(i) Borrowings#	-	-	462.55	462.55	-	-	-
(ii) Trade payables*	-	-	2,530.41	2,530.41	-	-	-
ii) Other financial liabilities*	-	-	643.05	643.05	-	-	-
Total	-	-	7,044.38	7,044.38			

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The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. Accordingly, management has not disclosed its fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Accordingly, management has not disclosed their fair values.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2019 and 31 March 2018.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments
- Credit risk ;
- Liquidity risk ; and
- Market risk - Foreign exchange
- Market risk - Interest rate

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2019	As at 31 March 2018
Investments	0.10	0.10
Trade receivables	1,774.82	685.04
Cash and cash equivalents	2,302.67	333.84
Balances other than cash and cash equivalents	87.26	107.34
Loans	307.86	239.56
Other financial assets	187.46	222.87

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount	
Particulars	As at 31 March 2019	As at 31 March 2018
1-90 days past due *	1,699.75	630.72
91 to 180 days past due	37.49	42.36
More than 180 days past due #	1,511.93	1,713.68
	3,249.17	2,386.76

* The Company believes that the amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	1,701.72	1,645.82
Impairment loss recognised / (reversed)	3.88	81.89
Amount written off out of above	(231.25)	(25.99)
Balance at the end of the year	1,474.35	1,701.72

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations.

Maturities of financial liabilities
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2018	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	570.84	-	-	570.84	570.84
Other financial liabilities	5.00	-	-	5.00	5.00
Current liabilities					
Borrowings	4,520.64	4,520.64	-	-	4,520.64
Trade payables	2,559.26	2,559.26	-	-	2,559.26
Other financial liabilities	15,617.31	15,617.31	-	-	15,617.31
Total	23,273.05	22,697.21	-	575.84	23,273.05

As at 31 March 2019	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	2,036.23	285.24	1,628.25	439.74	2,353.23
Other financial liabilities	5.10	-	-	5.10	5.10
Current liabilities					
Borrowings	462.55	462.55	-	-	462.55
Trade payables	2,530.41	2,530.41	-	-	2,530.41
Other financial liabilities	643.05	643.05	-	-	643.05
Total	5,677.34	3,921.25	1,628.25	444.84	5,994.34

* Pertains to debt component of compound financial instrument. The contractual cash flows are based on management's intent since the preference shares are redeemable only as fully paid up.
#Carrying amount presented as net off unamortized transaction cost

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows as there is no transaction in foreign currency in current year.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2019 and 31 March 2018 are as below

Particulars	As at 31 March 2019	As at 31 March 2018
	INR	INR
Financial assets		
Trade receivables	-	-
	-	-
Financial liabilities		
Borrowings	-	3,122.12
Trade payables	-	-
Acceptances	-	-
	-	3,122.12

Sensitivity analysis
The following table demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Particulars	Effect on Profit before tax	
	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:	+1%	-1%
For the year ended 31 March 2019		
USD	-	-
	-	-
For the year ended 31 March 2018		
USD	31.22	(31.22)
	31.22	(31.22)

USD: United States Dollar

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b. Financial risk management (continued)

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks/Non banking financial companies (NBFC) carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2019	As at 31 March 2018
Term loans from banks and NBFC (Non current)	2,036.23	-
Term loans from banks and NBFC (Current)	-	4,058.09
Current maturities of borrowings	285.24	11,981.72
Total	**2,321.47**	**16,039.81**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2019	23.21	(23.21)
For the year ended 31 March 2018	160.40	(160.40)

46. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2019.

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings	4,151.06	17,073.20
Less : Cash and cash equivalent	(2,302.67)	(333.84)
Adjusted net debt (A)	1,848.39	16,739.36
Total equity (B)	9,585.54	(6,717.72)
Adjusted net debt to adjusted equity ratio (A/B)	19.28%	-

Also refer note 48

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Notes to the financial statements for the year ended 31 March 2019
(All amounts are in INR lakhs, unless otherwise stated)

47. "Other Current Financial Assets" include Inter corporate deposits (ICD) of INR 1,000.00 Lakhs given to two Companies in an earlier year and which are outstanding as on 31 March 2019. These amounts have been fully provided for, as doubtful of recovery, in an earlier year. The Company has, during the earlier year filed a legal suit for recovery of the same (along with accumulated interest thereon). This case is lying before the Second Additional District Judge, Jabalpur.

48. The Company had been incurring cash losses affecting its ability to service its borrowings, creditors, other liabilities and similar obligations. The Strategic Debt Restructuring ("SDR") plan of the Company in compliance with the guidelines issued by the Reserve Bank of India ("RBI") could not be completed within the timeframe prescribed by RBI and loan given by the lenders to the Company was classified as Non-Performing Assets in the books of lenders. The lenders were in the process of identifying revival measures including debt restructuring and other structural changes.

Pursuant to a Resolution Plan, the Company, the lenders, the erstwhile promoters and the incoming investor entered into an agreement on 1 December 2018. The Resolution Plan mainly includes partial waiver of the principal amount of loan and interest, issuance of equity shares to the incoming investor, transfer of pledged promoter shares to the incoming investor, grant / renewal of the credit facilities subject to certain terms and conditions and issuance of non-convertible redeemable preference shares.

The above plan received shareholders approval on 7 January 2019.

Following is the summary of impact of the Resolution Plan which lead to modification of loan

S. No.	Particulars	Recognised in Statement of Profit and Loss*	Recognised in Other Equity**
(i)	The lenders have given waiver towards principal amounting to INR 2,618.13 Lakhs.	2,618.13	-
(ii)	The lenders have given waiver towards interest for the period 1 July 2017 till the date of Resolution plan i.e. 22 January 2019. The total relief on account of interest not payable as per the Resolution plan is INR 3,792.95 Lakhs.	3,792.95	-
(iii)	Out of total principal amount due to lenders, an amount of INR 6,748.23 Lakhs has been converted to unlisted Non Convertible Cumulative Redeemable Preference Share (NCPRS) of INR 100 each amounting to INR 6,748.23 Lakhs. These will carry coupon rate of 0.001% and will be redeemable by the Company upon expiry of 5,887 days. In accordance with Ind AS 109 - Financial Instruments, the Company has done the initial recognition of NCPRS at fair value of INR 701.86 Lakhs due to which a gain of INR 6,046.37 Lakhs has been recognised in the statement of profit and loss	6,046.37	-
(iv)	The lenders have exercised the pledge on 30,217,528 equity shares at price of INR 15.44 per share. Thus, there is a debt settlement of INR 3,983.11 Lakhs against the invocation of pledge of shares which has been considered as deemed contribution from shareholders	-	3,983.11
	Total	12,457.45	3,983.11

Further, one of the lenders has refinanced the existing loan into a new term loan amounting to INR 2,377 Lakhs
* Disclosed as Exceptional item in note 36
** Disclosed as "Deemed contribution from shareholders" in Other Equity

The management believes that the above Resolution Plan together with continued customer support and ownership change will result in revival of operations of the Company. Accordingly, the financial results have been prepared on going concern basis.

Pursuant to the Resolution Plan as mentioned above, the share capital of the Company has undergone a change which is explained below

Authorized Share Capital :- Increased from Rs. 7,705.00 Lakhs to Rs. 18,005.00 Lakhs, the details are as under
- 57,050,000 equity share capital of Rs. 10 each amounting to Rs. 5,705.00 Lakhs has been increased to 92,050,000 equity share capital of Rs. 10 each amounting to Rs. 9,205.00 Lakhs
- 2,000,000 preference share of Rs. 100 each amounting to Rs. 2,000.00 Lakhs has been increased to 8,800,000 preference share capital Rs. 100 each amounting to Rs. 8,800.00 Lakhs.

Paid up capital :- Increased from Rs. 6,794.30 Lakhs to Rs. 16,996.49 Lakhs, detailed as under.
- Equity share capital has increased from 54,942,964 equity shares of Rs. 10 each amounting Rs. 5,494.30 Lakhs to 89,482,657 equity shares of Rs. 10 each amounting to Rs. 8,948.27 Lakhs
- Issue of 6,748,229 Non Convertible Cumulative Redeemable Preference Share Capital of Rs. 100 each amounting to Rs. 6,748.23 Lakhs
- 2,000,000 Non Convertible Cumulative Redeemable Preference Share Capital of Rs. 65 each amounting to Rs. 1,300.00 Lakhs (there is no change in same).

49. Previous year figures have been regrouped / reclassified to confirm to the current year's classification

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Pune
Date: 22 May 2019

For and on behalf of Board of Directors of
Commercial Engineers and Body Builders Co Ltd.

P. Y. Garav
Director
(DIN: 02004317)

Abhishek Jaiswal
Executive Director & Chief Executive Officer
(DIN: 07936627)

Amit Jain
Chief Financial Officer & Company Secretary
(CS Membership No.: 39779)

Place: Pune
Date: 22 May 2019

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B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Commercial Engineers and Body Builders Co Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Commercial Engineers and Body Builders Co Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 march 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

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Revenue Recognition
See note 28 to the financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue from operations (i.e. sale of product) for the year ended 31 March 2020 was INR 12,354.67 Lakhs. Revenue is recognized in accordance with accounting policies as detailed in "Significant accounting policies" in the Financial Statements. Standards on Auditing presume a fraud risk with regard to revenue recognition. Also, revenue is one of the key performance indicators of the Company which makes it susceptible to misstatement. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; • Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions; • Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such sample, verified the underlying documents, including customer acceptance, to assess whether these are recognised in the appropriate period in which control is transferred; and • Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 40 (A) to the financial statements.

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram
Date: 22 July 2020

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For Commercial Engineers & Body Builders Co. Ltd

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Commercial Engineers & Body Builders Co. Ltd.

Annexure A referred to in our Independent Auditors' Report to the members of Commercial Engineers and Body Builders Co Limited on the Financial Statements for the year ended 31 March 2020

We report that:

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

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

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

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

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

(iv) According to the information and explanations given to us, the Company has not given any loans, made any investments or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act 2013. Accordingly, the provisions of paragraph 3(iv) of the Order is not applicable to the Company.

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the goods sold by the Company. Accordingly, para 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax ('GST') and other material statutory dues have generally been regularly deposited with the appropriate authorities though have been slight delays in deposit of provident fund, employees' state insurance and income tax.

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According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, service tax, sales tax, duty of excise and value added tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of excise, value added tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

(INR In Lakhs)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved*	Amount Paid under Protest
Central Excise Act, 1944	Excise Duty	AC, Jabalpur	April 2009- June 2009	14.37	-
		High Court, Madhya Pradesh	July 2008 - August 2009	2,047.00	-
MP Commercial Tax Act,1994	Value Added Tax	Appellate Board, Bhopal	F Y 2007-08	64.41	18.03
		Appellate Board, Bhopal	F Y 2008-09	63.35	17.78
		Supreme Court	F Y 2012-13	1,406.50	-
		Dy. Commissioner Jabalpur	F Y 2013-14	131.44	32.86
Central Sales Tax Act,1956	Central Sales Tax	Appellate Board, Bhopal	F Y 2007-08	11.02	3.09
		Appellate Board, Bhopal	F Y 2010-11	29.77	28.29
		Additional Commissioner, Jabalpur	F Y 2012-13	6.11	2.81
		Additional Commissioner, Jabalpur	F Y 2015-16	8.34	0.84
		Additional Commissioner, Jabalpur	F Y 2016-17	5.98	2.00
Income Tax Act, 1956	Income Tax	CIT (Appeals), Kanpur	A.Y. 2011-12	9.96	9.96
		High Court, Allahabad	A.Y. 2013-14	594.65	-

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

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers. The

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Commercial Engineers & Body Builders Co. Ltd.

Company did not have any loans or borrowings from financial institutions or government during the year and has not issued any debentures.

(ix) Based on our examination of books of account and according to the information and explanations given to us, the Company has utilized all the money raised by way of term loans, for the purpose for which they were raised. Further, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).

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

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

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

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

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

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

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

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram
Date: 22 July 2020

Commercial Engineers & Body Builders Co Ltd

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Annexure 'B' to the Independent Auditors' report on the financial statements of Commercial Engineers and Body Builders Co Limited for the period ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Commercial Engineers and Body Builders Co Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram
Date: 22 July 2020

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Commercial Engineers and Body Builders Co Ltd.
Balance Sheet as at 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,943.52	11,258.43
Capital work-in-progress	3	355.30	13.01
Right of use assets	39	156.83	-
Intangible assets	4	25.54	28.53
Intangible assets under development	4	19.59	-
Financial assets			
(i) Investments	5	-	4.10
(ii) Loans	6	56.70	57.66
Non-current tax assets (net)		25.31	3.96
Other non-current assets	7	132.61	2,346.42
Total non-current assets		11,545.24	14,142.65
Current assets			
Inventories	8	4,257.61	1,444.43
Financial assets			
(i) Trade receivables	9	1,510.56	2,274.83
(ii) Cash and cash equivalents	10	252.05	2,392.69
(iii) Bank balances other than (ii) above	11	268.25	77.26
(iv) Loans	12	399.45	250.39
(v) Other financial assets	13	41.93	187.46
Current tax assets (net)		71.63	75.91
Other current assets	14	1,712.46	410.32
Assets held for sale	15	99.50	382.06
Total current assets		8,623.92	6,495.46
Total assets		19,989.16	20,557.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	6,948.27	6,948.27
Other equity	17	305.53	597.37
Total equity		9,464.20	9,545.64
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,500.81	3,403.27
(ii) Lease liabilities		47.78	-
(iii) Other financial liabilities	19	5.10	3.35
Provisions	20	124.98	24.11
Other non-current liabilities	21	-	2,456.17
Total non-current liabilities		2,662.87	6,438.58
Current liabilities			
Financial liabilities			
(i) Borrowings	22	2,083.85	450.53
(ii) Lease liabilities		45.48	-
(iii) Trade payables	23		
(a) Total outstanding dues of Micro and Small Enterprises		55.78	166.57
(b) Total outstanding dues of Creditors other than Micro and Small Enterprises		3,452.94	2,753.72
(iv) Other financial liabilities	24	475.32	643.09
Other current liabilities	25	1,435.37	968.73
Provisions	26	335.38	197.34
Current tax liabilities (net)	27	-	341.36
Total current liabilities		7,882.09	[illegible]
Total equity and liabilities		19,989.16	[illegible]

See accompanying notes to the financial statements.

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 22 July 2020

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

P.K. Garg
Director
(DIN: 02006502)

Place: Pune
Date: 22 July 2020

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer
(DIN: 07016427)
Place: Jabalpur
Date: 22 July 2020

Sanjay Kumar
Chief Financial Officer
(CA Membership No. 062291)
Place: Kolkata
Date: 22 July 2020

Amit Kumar Jain
Company Secretary
(CS Membership No. 37779)
Place: Indore
Date: 22 July 2020

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Commercial Engineers and Body Builders Co Ltd.
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	28	12,574.39	21,579.96
Other income	29	329.35	75.91
Total income		12,903.74	21,655.87
Expenses			
Cost of materials consumed	30	12,072.33	18,043.82
Changes in inventories of finished goods and work-in-progress	31	(2,090.02)	(251.60)
Employee benefits expense	32	951.98	673.18
Finance costs	33	637.17	2,214.45
Depreciation and amortisation expense	34	831.74	1,032.91
Other expenses	35	1,481.41	1,914.97
Total expenses		13,874.61	23,641.96
Loss before tax and exceptional items		(970.87)	(1,986.09)
Exceptional items	36	715.72	6,453.47
(Loss) / profit before tax		(255.15)	4,467.38
Tax expense			
Current tax expense		-	-
Taxes adjustment related to earlier years	37	(241.78)	-
Deferred tax (credit)/ charge		-	-
(Loss) / profit for the year		(13.37)	4,467.38
Other comprehensive income			
Items that will not be reclassified the statement of profit and loss			
Re-measurement (loss) / gain of defined benefit obligation		(27.97)	(1.20)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive (loss) / income for the year, net of taxes		(27.97)	(1.20)
Total comprehensive (loss) / income for the year		(41.34)	4,466.18
(Loss) / Earnings per equity share			
Basic and diluted (loss) /earnings per equity share (Nominal value of INR 10 per share (Previous year INR 10 per share)]	47	(0.02)	14.47

See accompanying notes to the financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109
Place: Gurugram
Date: 22 July 2020

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

P.K. Garas
Director
(DIN: 02604317)
Place: Pune
Date: 22 July 2020

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer
(DIN: 07986623)
Place: Jabalpur
Date: 22 July 2020

Sanjay Kabra
Chief Financial Officer
(CA Membership No.: 062281)
Place: Kolkata
Date: 22 July 2020

Amit Kumar Jain
Company Secretary
(CS Membership No.: 39739)
Place: Indore
Date: 22 July 2020

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For Commercial Engineers & Body Builders Co Ltd
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Commercial Engineers and Body Builders Co Ltd.
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2018	5,495.10
Changes during the year	2,453.17
Balance as at 31 March 2019	7,948.27
Changes during the year	-
Balance as at 31 March 2020	7,948.27

B. Other equity

Particulars	Equity component of compound financial instrument (Note 35 (a))	Reserves and surplus (1)					Items of other comprehensive income	Total
		General reserve	Capital reserve	Securities Premium account	Deemed contribution by shareholders (Note 17)	Retained earnings	Remeasurement of defined benefit liability	
Balance as at 1 April 2018	899.34	9.08	8.72	12,437.90		(25,932.82)	2.14	(12,232.91)
Profit for the year	-	-	-	-	-	8,667.38	-	8,667.38
Other comprehensive (loss) / income for the year	-	-	-	-	-	-	(1.30)	(1.30)
Deemed contribution by shareholders	-	-	-	-	3,983.13	-	-	3,983.13
Balance as at 31 March 2019	899.34	9.08	8.72	12,437.90	3,983.13	(17,105.44)	2.94	477.27
Balance as at 1 April 2019	899.34	9.08	8.72	12,437.90	3,983.13	(17,105.44)	2.94	477.27
Loss for the year	-	-	-	-	-	(11.57)	-	(11.57)
Transfer to retained earnings	-	-	-	-	-	2.94	(2.94)	-
Other comprehensive (loss) / income for the year	-	-	-	-	-	(57.77)	-	(57.77)
Transfer to capital reserve during the year pursuant to redemption (Refer note 35 (a))	(899.34)	-	899.34	-	-	-	-	-
Balance as at 31 March 2020	-	9.08	908.06	12,437.90	3,983.13	(17,172.84)	-	395.14

Notes:
1. Refer note 17 for nature and purpose of these reserves.

See accompanying notes to the financial statements
As per our report of even date attached.

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

Shashank Agarwal
Partner
Membership No. 095109
Place: Gurugram
Date: 22 July 2020

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

P.D. Chary
Director
(DIN 02094573)
Place: Pune
Date: 22 July 2020

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer
(DIN 07936627)
Place: Jabalpur
Date: 22 July 2020

Rajesh Kisani
Chief Financial Officer
ICAI Membership No. 052811
Place: Kolkata
Date: 22 July 2020

Ankit Kumar Jain
Company Secretary
ICSI Membership No. 39079
Place: Indore
Date: 22 July 2020

Commercial Engineers & Body Builders Co. Ltd.

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Commercial Engineers and Body Builders Co Ltd.
Cash flow statement for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
(Loss) / profit before tax	(533.75)	8,803.38
Adjustments for:		
Depreciation and amortisation expense	431.34	1,037.91
(Profit) / loss on sale of property, plant and equipment / Held for sale	(6.85)	35.45
Provision for doubtful debt and advances	52.31	31.61
Investment written off	0.10	-
Liabilities / provisions no longer required written back	(277.59)	(63.33)
Exceptional items (refer note 34)	(855.12)	(10,853.67)
Interest income	(41.90)	(10.73)
Finance costs	817.37	2,214.65
Cash flow from operating activities before changes in following assets and liabilities	142.37	1,229.39
Changes in assets and liabilities		
(Increase) in inventories	(3,312.33)	(319.57)
Decrease in trade receivables, financial assets and other assets	2,537.97	236.03
(Decrease) in trade payables, financial liabilities and other liabilities	(1,113.23)	(58.63)
Increase in provisions	55.48	15.39
Cash generated from operations	(1,446.57)	932.28
Income taxes paid	(4.25)	(9.96)
Net cash (used) / generated in operating activities (A)	(1,292.82)	922.40
Cash flow from investing activities		
Purchase of property, plant and equipment, capital work in progress and intangible assets	(2,290.44)	(126.78)
Investment in bank deposits (having original maturity more than 3 months)	(90.56)	-
Interest received	47.25	10.73
Net cash used in investing activities (B)	(2,333.75)	(116.05)
Cash flow from financing activities		
Proceeds from issue of equity share capital	-	3,482.97
Proceeds from short term borrowings	2,762.34	862.73
Repayment of short term borrowings	(444.83)	(990.61)
Repayment of long term borrowings	(889.29)	(1,089.61)
Repayment of Lease liabilities	(0.36)	-
Finance cost paid	(625.94)	(743.35)
Net cash flow from financing activities (C)	786.48	1,156.59
Net Cash Flows (Decrease)/Increase during the year (A+B+C)	(2,020.64)	1,968.30
Cash and cash equivalents at the beginning of the year	2,337.67	373.94
Cash and cash equivalents at the end of the year	285.38	2,342.27
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	18.55	2,339.39
- Cash credit accounts	246.27	-
Cash and gold coins on hand	19.20	2.38
Cash and cash equivalents at the end of the year	283.08	2,342.27

Notes:
1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard - 7 on "Statement on Cash Flows".
2. Also refer note 48 in relation to restructuring of borrowings.

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 22 July 2020

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

P.K. Biyani
Director
(DIN: 03083137)

Place: Pune
Date: 22 July 2020

Rajeev Kumar
Chief Financial Officer
(CA Membership No.: 082281)
Place: Kolkata
Date: 22 July 2020

Mandeep Agarwal
Whole Time Director & Chief Executive Officer
(DIN: 07904427)
Place: Jabalpur
Date: 22 July 2020

Amit Kumar Jain
Company Secretary
(CS Membership No.: 39199)
Place: Indore
Date: 22 July 2020

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

1.1 Corporate Information

Commercial Engineers and Body Builders Co Ltd. (the "Company") is a Company domiciled in India, with its registered office stated at Vandana Vihar, 48 Narmada Road, Jabalpur, Madhya Pradesh-482001 (CIN-L24231MP1979PLC049375) The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is primarily involved in manufacturing of load bodies, wagons and components with manufacturing facilities at Jabalpur, Indore and Jamshedpur.

1.2 Basis of preparation

a) Statement of Compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 22 July 2020.

During financial year 2018-19, pursuant to company approved Resolution Plan, company, the lenders, the erstwhile promoters and the incoming investor entered into an agreement on 1 December 2018. The Resolution Plan mainly included partial waiver of the principal amount of loan and interest, issuance of equity shares to the incoming investor, transfer of pledged promoter shares to the incoming investor, grant /renewal of the credit facilities subject to certain terms and conditions and issuance of non-convertible redeemable preference shares.

This resolution plan received approval of Shareholders of company on 07th January 2019.

The management believes that the above Resolution Plan together with continued customer support and ownership change will result in revival of operations of the Company. Accordingly, the financial statements have been prepared on going concern basis.

b) Functional and presentation currency

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

c) Basis of measurement

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

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

d) Use of estimates and judgements

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

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

Judgements

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

- Note 2.2 (m) - leases: whether an arrangement contains a lease
- Note 2.2 (m) - lease classification
- Note 2.2 (p)(i) - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 2.2 (g)(iii) and 40- measurement of defined benefit obligations: key actuarial assumptions
- Note 2.2 (b) - measurement of useful lives and residual values to property, plant and equipment
- Note 2.2 (c) - measurement of useful lives of intangible assets
- Note 1.2 (e) and 2.2 (p) - fair value measurement of financial instruments and impairment thereon
- Note 2.2 (k) and 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources
- Note 2.2 (f) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.2 (j) – impairment of non-financial assets

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

e) Measurement of fair values

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

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

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

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2. Significant accounting policies

2.1 Change in significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for Ind AS 116 "Leases" applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and Appendix C, "Uncertainty over Income Tax Treatments" to Ind AS 12, "Income Taxes". As a result, the comparative information has not been restated which did not have any significant impact on the financial position or performance of the Company. Also refer to respective accounting policies for further details.

2.2 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

2.3 Summary of significant accounting policies

a) Current and non-current classification

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

Assets

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

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

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

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Liabilities

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

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

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

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

Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Property, plant and equipment

Recognition and measurement

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

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

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

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

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

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

Subsequent expenditure

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

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The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of profit and loss as incurred.

Depreciation methods, estimated useful lives and residual value

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

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

(i) The depreciation charged on all property, plant and equipment is on the basis of useful life specified in Part "C" of Schedule II to the Companies Act, 2013 which represents useful lives of the assets.
(ii) On assets sold, discarded, etc., during the year, depreciation is provided up to the date of sale/discard.
(iii) Depreciation has been calculated on a pro-rata basis in respect of acquisition/installation during the year.
(iv) Leasehold land is amortised over the primary lease period or the useful life, whichever is shorter.
(v) Freehold land is not depreciated

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

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

c) Intangible assets

Recognition and initial measurement

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

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

Subsequent expenditure

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

Amortisation

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

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

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

d) Inventories

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

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

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

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

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

The Company recognized revenue when (or as) a predominance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional

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right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there are billings in excess of revenues.

Contracts ae subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Rendering of services

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

Sale of scrap

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

<u>Other Income</u>

For instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the

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Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

f) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognized in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

g) Employee benefits

i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the

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

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

ii) Defined contribution plans

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

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

iii) Defined benefit plans

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

Gratuity

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment. These are funded by the Company and are managed by the Life Insurance Corporation of India (LIC).
The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

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h) Foreign currency transactions and translation

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

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

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

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

i) Finance expense

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

j) Impairment of non-financial assets

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

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

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

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

k) Provisions and contingent liabilities

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

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

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

l) Borrowings and borrowing cost

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

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

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

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

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

m) Leases

Effective 1 April 2019, the Company has applied Ind AS 116 using modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed a note below.

Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should

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be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

Policy applicable before 1 April 2019 – Ind AS 17

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

Where the Company is the lessee

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

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

n) Segment reporting

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

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

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

o) Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.
When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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p) Financial instruments

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

i) Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:
- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

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Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Derecognition

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

Impairment

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

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Write-off

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

ii) Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

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

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Gains or losses on derecognition of financial liabilities is recognised in the statement of profit and loss except where gains or losses arises on account of transaction with shareholders (acting in their capacity as shareholders), wherein the gain or loss is recognised in equity.

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

iii) Offsetting

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

q) Cash and cash equivalents

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

r) Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete

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such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

s) Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

t) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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

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Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Balance as at 1 April 2018	**1,743.52**	**97.41**	**5,413.92**	**8,003.41**	**9.83**	**9.74**	**237.03**	**15,514.86**	**198.44**
Add: Additions made during the year	-	-	210.78	42.86	-	13.90	10.42	277.96	151.81
Less: Disposals/ adjustments during the year	-	-	4.98	1,821.91	-	0.12	8.56	1,835.57	337.24
Balance as at 31 March 2019	**1,743.52**	**97.41**	**5,619.72**	**6,224.36**	**9.83**	**23.52**	**238.89**	**13,957.25**	**13.01**
Add: Additions made during the year	-	-	37.30	494.95	5.27	19.71	18.75	575.98	982.83
Less: Reclassified on account of adoption of Ind AS 116	-	97.41	-	-	-	-	-	97.41	-
Less: Disposals/ adjustments during the year	-	-	-	-	-	0.46	-	0.46	440.45
Balance as at 31 March 2020	**1,743.52**	-	**5,657.02**	**6,719.31**	**15.10**	**42.77**	**257.64**	**14,435.36**	**555.39**
Accumulated depreciation									
Balance as at 1 April 2018	-	8.87	493.53	1,470.60	7.67	6.80	74.28	2,061.75	
Add: Depreciation expense for the year	-	4.43	240.75	748.23	0.97	2.56	37.71	1,034.65	-
Less: Disposals/ adjustments during the year	-	-	1.22	400.49	-	0.10	5.76	407.57	-
Balance as at 31 March 2019	-	**13.30**	**733.06**	**1,818.34**	**8.64**	**9.26**	**106.23**	**2,688.83**	-
Add: Depreciation expense for the year	-	-	233.23	535.20	0.90	7.96	34.28	811.57	-
Less: Reclassified on account of adoption of Ind AS 116		13.30	-	-	-	-	-	13.30	
Less: Disposals/ adjustments during the year	-	-	-	-	-	0.46	-	0.46	
Balance as at 31 March 2020	-	-	**966.29**	**2,353.54**	**9.54**	**16.76**	**140.51**	**3,486.64**	-
Net carrying amount									
As at 31 March 2020	1,743.52	-	4,690.73	4,365.77	5.56	26.01	117.13	10,948.72	555.39
As at 31 March 2019	1,743.52	84.11	4,886.66	4,406.02	1.19	14.26	132.66	11,268.42	13.01

Notes:

a) For details of assets pledged/ hypothecated as securities, refer note 18 and 22.

b) Refer note 40 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Capital work in progress as at 31 March 2020 is net of impairment provision of INR 1,154.97 lakhs (Previous year INR 1,154.97 lakhs).

d) Refer also note 36

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

4. Intangible assets and intangible assets under development

Particulars	**Software**	**Total**	**Intangible assets under development**
Gross carrying amount			
Balance as at 1 April 2018	**7.48**	**7.48**	-
Add: Additions during the year	32.12	32.12	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2019	39.60	39.60	-
Add: Additions during the year	20.10	20.10	19.50
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2020	**59.70**	**59.70**	**19.50**
Accumulated amortisation			
Balance as at 1 April 2018	7.48	7.48	-
Add: Amortisation expense for the year	3.26	3.26	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2019	10.74	10.74	-
Add: Amortisation expense for the year	13.42	13.42	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2020	**24.16**	**24.16**	-
Net book value			
As at 31 March 2020	35.54	35.54	19.50
As at 1 April 2019	28.86	28.86	-

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5. Non-current financial assets- Investments

	As at 31 March 2020	As at 31 March 2019
Investments in equity shares (at fair value through Profit and Loss)		
Unquoted equity instruments		
Kailash Motors Private Limited		
Nil (Previous year: 1000) equity shares of face value of INR 10/- each, fully paid up	-	0.10
Total	-	0.10
Aggregate amount of non-current unquoted investments	-	0.10
Aggregate amount of impairment in the value of investments	-	-

6. Non-current financial assets- Loans

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	56.10	57.68
Total	56.10	57.68

Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.

7. Other non-current assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Statutory dues paid under protest (refer note 40 (A))	83.74	2,772.30
Capital advances	97.61	4.86
Prepaid expenses	6.26	7.26
Unsecured, considered doubtful		
Capital advances	17.75	17.75
	205.36	2,802.17
Less: Provision for doubtful capital advances	17.75	17.75
Total	187.61	2,784.42

8. Inventories*
Valued at lower of cost and net realisable value

	As at 31 March 2020	As at 31 March 2019
Raw material	1,885.10	659.66
Work in progress	2,765.30	681.09
Stores and spares	69.09	71.96
Scrap	37.52	31.72
Total	4,757.01	1,444.43

*During the year ended 31 March 2020, an amount of Nil (Previous year: INR 33.14 lakhs) was recognised as an expense for inventories carried at net realisable value.

9. Trade receivables

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	1,110.56	1,774.82
Unsecured, considered doubtful	1,506.67	1,474.35
	2,617.23	3,249.17
Less : Loss allowance for trade receivables (refer note 45(b))	1,506.67	1,474.35
	1,110.56	1,774.82
Total	1,110.56	1,774.82

The Company's exposure to credit and currency risks are disclosed in Note 45.

10. Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	10.55	2,300.39
- In cash credit accounts	261.27	-
Cash and gold coins on hand	10.23	2.28
Total	282.05	2,302.67

Information about Company's exposure to credit risks is disclosed in Note 45.

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11. Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Fixed deposits with bank*	168.25	87.26
Total	**168.25**	**87.26**

*Deposits include INR 168.25 lakhs (Previous year: INR 87.26 lakhs) being fixed deposits held as margin money or security against borrowings, guarantees and other commitments.

12. Current financial assets- Loans

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	192.85	242.93
Loans to employees (including accrued interest)	6.58	7.26
Total	**199.43**	**250.19**

Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.

13. Current financial assets - Others

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Unbilled revenue	23.69	179.49
Interest accrued on term deposits	3.76	3.02
Other receivables	13.58	4.95
Doubtful		
Inter corporate deposits (refer note 47)	1,000.00	1,000.00
	1,041.03	**1,187.46**
Less: Loss allowance for Inter corporate deposits	1,000.00	1,000.00
Total	**41.03**	**187.46**

Movement in expected credit loss allowance on Inter corporate deposits

	As at 31 March 2020	As at 31 March 2019
Opening balance	1,000.00	1,000.00
Add: Allowance measured at expected credit losses	-	-
Less: Utilisation during the year	-	-
Closing balance	**1,000.00**	**1,000.00**

Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.

14. Other current assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Advance to suppliers	614.86	89.25
Balance with statutory/government authorities	305.00	47.92
Prepaid expenses	18.86	12.98
Sales tax incentive receivable	373.74	320.55
Unsecured, considered doubtful		
Advance to suppliers	39.29	43.47
Provident fund receivable	63.00	63.00
	1,414.75	577.16
Less: Provision for doubtful advances	102.29	106.47
Total	**1,312.46**	**470.70**

15. Assets held for sale

	As at 31 March 2020	As at 31 March 2019
Plant & Machinery (Refer note 36)	99.50	102.00
Total	**99.50**	**102.00**

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16. Share capital

Authorised share capital	Equity shares		0.00001% Preference shares		0.001% Preference shares	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 31 March 2018	57,050,000	5,705.00	2,000,000	2,000.00	-	-
Increase during the year	35,000,000	3,500.00	-	-	6,800,000	6,800.00
As at 31 March 2019	92,050,000	9,205.00	2,000,000	2,000.00	6,800,000	6,800.00
Increase/(decrease) during the year	-	-	-	-	-	-
As at 31 March 2020	92,050,000	9,205.00	2,000,000	2,000.00	6,800,000	6,800.00

Issued equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid up	Number of shares	Amount
As at 31 March 2018	54,942,964	5,494.30
Increase/(Decrease) during the year	34,539,693	3,453.97
As at 31 March 2019	89,482,657	8,948.27
Increase/(decrease) during the year	-	-
As at 31 March 2020	89,482,657	8,948.27

Equity component of preference shares of INR 100 each issued*	Number of shares	Amount
As at 31 March 2018	2,000,000	899.34
Increase/(decrease) during the year	-	-
As at 31 March 2019	2,000,000	899.34
Transfer to capital reserve during the year pursuant to forfeiture	-	(899.34)
As at 31 March 2020	2,000,000	-

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

	As at 31 March 2020		As at 31 March 2019	
Equity shares	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	89,482,657	8,948.27	54,942,964	5,494.30
Add: shares issued during the year	-	-	34,539,693	3,453.97
At the end of the year	89,482,657	8,948.27	89,482,657	8,948.27

	As at 31 March 2020		As at 31 March 2019	
0.00001% Preference shares of Rs.100 each	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	2,000,000	1,300.00	2,000,000	1,300.00
Add: shares issued during the year for cash	-	-	-	-
Less: shares forfeited during the year*	2,000,000	1,300.00	-	-
At the end of the year	-	-	2,000,000	1,300.00

	As at 31 March 2020		As at 31 March 2019	
0.001% Preference shares of Rs.100 each	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	6,748,229	6,748.23	-	-
Add: shares issued during the year as part satisfaction of outstanding debt	-	-	6,586,000	6,586.00
Add: shares issued during the year for cash	-	-	162,229	162.23
At the end of the year	6,748,229	6,748.23	6,748,229	6,748.23

*During the current year, the Company has forfeited the 0.00001% Non-Convertible Cumulative Redeemable Preference Shares due to non payment of unpaid calls. These preference shares were issued to erstwhile promoters in year 2014-15 amounting to INR 2,000 Lakhs of which only INR 1,300 Lakhs was paid up. Out of the paid up amount, INR 655.12 Lakhs was classified as liability component of compound financial instruments as under the requirement of Ind AS 109. Pursuant to the forfeiture, the Company has recognized a gain of INR 655.12 Lakhs as exceptional item in the statement of profit and loss account. Further INR 899.34 Lakhs which was lying in other equity as equity component of compound financial instrument transferred to capital reserve.

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

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

0.00001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry preferential dividend of 0.00001% per annum. These are redeemable only on completion of 10 years from the date of allotment and are non-transferable unless fully paid-up. (Refer Note 16(a).

0.001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry coupon rate as 0.001% per annum. These are redeemable on completion of 5887 days from the date of issue.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of INR 10/- each fully paid held by				
Jupiter Wagons Ltd.	40,666,835	45.45%	40,666,835	45.45%
Axis Bank Ltd.	8,349,158	9.33%	8,349,158	9.33%
Tatravagonka, AS	6,800,518	7.60%	6,800,518	7.60%
Tata Capital Growth Fund (I)	5,339,136	5.97%	5,592,461	6.25%
Murari Lal Lohia-HUF	4,533,678	5.07%	4,533,678	5.07%
0.00001% Preference shares of INR 100/- each not fully paid held by				
Dr. Kailash Gupta and Mrs. Rekha Gupta (Jointly)	-	-	2,000,000	100%
0.001% Preference shares of INR 100/- each fully paid held by				
Axis Bank Ltd	-	-	6,586,000	98%
Jupiter Wagons Ltd	6,748,229	100%	-	-

d) Details of call unpaid

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
0.00001% Preference shares				
Aggregate of calls unpaid				
-Dr. Kailash Gupta and Mrs. Rekha Gupta (Jointly)	-	-	2,000,000	700.00

17. Other equity

	Note	As at 31 March 2020	As at 31 March 2019
General reserve	A	9.80	9.80
Capital reserve	B	908.06	8.72
Securities Premium account	C	12,837.80	12,837.80
Deemed contribution by shareholders (refer note 48)	D	3,983.11	3,983.11
Retained earnings	E	(17,142.84)	(17,101.50)
Equity component of compound financial instrument	F	-	899.34
Total		595.93	637.27

	As at 31 March 2020	As at 31 March 2019
A. General reserve		
Balance as at the beginning of the year	9.80	9.80
Balance at the end of the year	9.80	9.80
B. Capital reserve		
Balance as at the beginning of the year	8.72	8.72
Add: Addition during the year (Refer note 16(a))	899.34	-
Balance at the end of the year	908.06	8.72
C. Securities Premium account		
Balance as at the beginning of the year	12,837.80	12,837.80
Balance at the end of the year	12,837.80	12,837.80
D. Deemed contribution by shareholders		
Balance as at the beginning of the year	3,983.11	-
Add: Addition for the year	-	3,983.11
Balance at the end of the year	3,983.11	3,983.11
E. Retained earnings		
Balance as at the beginning of the year	(17,101.50)	(25,967.68)
Add: (Loss)/ profit for the year	(13.97)	8,867.38
Items of other comprehensive (expense) / income recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	(27.37)	(1.20)
Balance at the end of the year	(17,142.84)	(17,101.50)
F. Equity component of compound financial instrument		
2,000,000 (Previous year: 2,000,000) Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) of INR 100/- each, INR 35 (Previous year: INR 35) not paid up		
Balance as at the beginning of the year	899.34	899.34
Less: Transfer to capital reserve during the year pursuant to forfeiture	899.34	-
Balance at the end of the year	-	899.34
Total other equity	595.93	637.27

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Nature and purpose of reserve

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

ii. Capital reserve
During the current year, pursuant to forfeiture of 0.00001% Non-Convertible Cumulative Redeemable Preference Shares due to non payment of unpaid calls, INR 899.34 Lakhs which represent the equity component of compound financial instrument has been transferred to capital reserve. Further, INR 8.72 Lakhs lying in capital reserve represents to excess of purchase consideration over net assets taken over as per Scheme of Arrangement took place during 2007-08. Accumulated capital surplus is not available for distribution of dividend and expected to remain invested permanently.

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

iv. Deemed contribution by shareholders

In previous year, pursuant to restructuring of loans, INR 3,983.11 has been waived off by the lenders against pledge of equity shares of shareholders. Hence, the same has been considered as deemed contribution by them. Also refer to note 48.

v. Retained earnings
Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

18. Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured loans		
Term loans from banks	1,854.35	2,036.23
Unsecured		
Liability component of compound financial instrument (Refer note 16(a))	-	645.45
0.001% Preference shares (Refer note 16(b))	835.66	721.59
	2,690.01	**3,403.27**
Add: Current maturities of non-current borrowings:		
Secured loans		
Term loans from banks	202.04	285.24
Total non-current borrowings (including non-current maturities)	**2,892.05**	**3,688.51**

Repayment terms and security disclosure for the outstanding non-current borrowings as at 31 March 2020 and 31 March 2019:

Particulars			As at 31 March 2020	As at 31 March 2019
Terms of Borrowings	Security	Terms of Repayment		
(1) Axis Bank Limited a) Rupee term loan of INR 2,056.39 Lakhs (net of processing fees) (Previous year INR 2,321.47 Lakh) carrying interest @ 13.20%, interest rate reset on upgradation of external rating to 11.50% on 1 December 2019.	Primary: i. First charge on the entire fixed assets, both movables and immovables, present and future. ii. Second charge on the entire current assets including receivables, present and future. iii. Non-disposal undertaking of 51% shares of promoters in the Company. iv. Guarantors:- a) Unconditional and irrevocable corporate guarantee of Jupiter Wagons Limited. b) Personal guarantee of Mr. Vivek Lohia and Mr. Vikash Lohia (Directors in Jupiter Wagons Limited).	Repayable in 29 quarterly installments starting from 31 March 2019.	2,056.39	2,321.47

19. Other non-current financial liabilities

	As at 31 March 2020	As at 31 March 2019
Security deposits	5.10	5.10
Total	**5.10**	**5.10**

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.

20. Non-current provisions

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 42)		
- Gratuity	74.38	24.14
- Compensated absences	50.60	-
Total	**124.98**	**24.14**

21. Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
Amount of duty refundable/ payable to customers*	-	2,856.17
Total	**-**	**2,856.17**

*Includes Nil (Previous year: INR 2,688.07 Lakhs) pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has been availing Cenvat credit on chassis and has been paying Excise Duty on the Fully Built Vehicle (FBV) which was lying under "other non-current assets" as duty paid under protest on behalf of customer. The Company has opted Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, pursuant to which the amount payable to customer is also adjusted. Further, the balance of INR 168.10 Lakhs is written back. (Refer note 47 (B))

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22. Current financial liabilities - Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured loans		
From banks		
Cash credit facilities	1,598.21	-
Unsecured loans		
From others		
Loans and advances from related parties (refer note 43)	-	262.55
Loans from companies	-	200.00
From banks		
Bill discounting	485.34	-
Total	2,083.55	462.55

(i) Nature of Security

Cash Credit Facilities are secured by either one or more of the following as per terms of Arrangement with respective banks:

Primary Security:
First pari -passu charge on the entire current assets of the Company, both present and future.

Collateral Security:
Second Pari passu charge on entire fixed assets of the Company, both present and future.

23. Current financial liabilities- Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of Micro and Small Enterprises (refer note 44)	27.78	166.69
Total outstanding dues of creditors other than Micro and Small Enterprises	3,412.94	2,363.72
Total	3,440.72	2,530.41

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.

Notes:
a) It includes trade payable to related parties of INR 1,059.77 Lakhs (Previous year: INR 69.01 Lakhs)
b) For terms and conditions of trade payables owing to related parties, refer note 43.

24. Other current financial liabilities

	As at 31 March 2020	As at 31 March 2019
Capital Creditors*	118.75	88.73
Interest accrued and due on borrowings	-	124.97
Interest accrued and not due on borrowings	20.87	26.63
Current maturities of long term borrowings (refer note 18)	202.04	285.24
Interest accrued on statutory dues	18.01	18.67
Deposits from contractors and others	13.42	11.59
Employee benefits payable	97.23	87.22
Total	470.32	643.05

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.
*Includes capital creditors to related parties of INR 37.01 Lakhs (Previous year: Nil)

25. Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Advances from customers and others	1,388.33	661.89
Statutory dues payable	47.00	246.83
Total	1,435.33	908.72

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26. Current provisions	**As at 31 March 2020**	**As at 31 March 2019**
Provision for employee benefits (refer note 42)		
- Gratuity	-	24.00
- Compensated absences	7.09	34.47
Provision for litigations	144.69	138.71
Total	**151.78**	**197.18**
Movement in provision for litigations		
Opening balance	138.71	139.78
Add: Provision recognised during the year	5.98	-
Less: Utilisation during the year	-	(1.07)
Closing balance	**144.69**	**138.71**

27. Current tax liabilities (net)	**As at 31 March 2020**	**As at 31 March 2019**
Provision for income tax [net of advance income tax Nil (Previous year: INR 682.48 lakhs)]	-	241.78
Total	-	**241.78**

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

28. Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Sale of manufactured goods	12,354.67	21,270.71
Sale of services		
Job work charges	1.53	2.03
Other operating revenue		
Sale of scrap	162.43	282.18
Sales Tax Incentive	53.18	24.87
Others	2.58	0.17
Total	12,574.39	21,579.96

Contract Balances	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade receivables	1,110.56	1,774.82
Unbilled revenue	23.69	179.49

Reconciliation of revenue recognised with the contracted price is as follows	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	12,380.31	21,447.63
Reduction towards variable consideration components	(24.11)	(174.89)
Revenue recognised	12,356.20	21,272.74

The reduction towards variable consideration comprises of discounts etc.

29. Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- Deposits with banks	43.28	7.66
- Deposits with others	4.71	3.08
Provisions/liabilities no longer required, written back	279.38	63.22
Miscellaneous income	1.98	1.94
Total	329.35	75.91

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

30. Cost of materials consumed

	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw materials at the beginning of the year	731.62	465.40
Add: Purchases	13,294.90	18,312.04
	14,026.52	18,777.44
Less: Raw material at the end of the year	1,954.19	731.62
Total cost of materials consumed	**12,072.33**	**18,045.82**

31. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock		
Work-in-progress	681.08	439.74
Scrap	31.72	21.38
Total	**712.80**	**461.11**
Closing stock		
Work-in-progress	2,765.30	681.08
Scrap	37.52	31.72
Total	**2,802.82**	**712.80**
Total changes in inventories of finished goods and work-in-progress	**(2,090.02)**	**(251.69)**

32. Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages, bonus, gratuity and allowances	801.79	583.37
Contribution to provident and other funds	27.99	27.77
Staff welfare expenses	72.20	67.96
Total	**901.98**	**679.10**

Refer note 42 for disclosure on gratuity.

33. Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities at amortised cost	579.86	2,132.85
Interest expense on delay in deposit of TDS	-	18.08
Others	37.31	63.52
Total	**617.17**	**2,214.45**

34. Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment	811.57	1,034.65
Depreciation on right to use assets	6.75	-
Amortisation on intangible assets	13.42	3.26
Total	**831.74**	**1,037.91**

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35. Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Labour charges	545.86	897.26
Power and fuel	221.30	258.58
Repair and maintenance		
- Buildings	16.44	11.30
- Plant and machinery	128.94	138.81
- Others	29.49	38.21
Rent	3.01	7.53
Auditors' remuneration		
As auditors:		
- Audit fee	9.50	8.50
- Limited review fee	7.50	7.50
- Out-of-pocket expenses	5.97	9.21
In other manner:		
-Certification and other services	-	2.75
Insurance	11.15	10.04
Rates and taxes	47.68	127.51
Postage and telephone expenses	8.47	8.03
Travelling and conveyance	53.24	29.39
Vehicle Running Expenses	22.86	25.34
Printing and stationery	9.84	8.35
Freight and transport	10.28	8.34
Sales expenses	28.10	40.69
Security charges	73.81	60.64
Legal and professional	142.01	129.72
Director sitting fees	6.10	5.85
Loss on assets held for sale	-	25.45
Allowance for doubtful debts and advances (net)	32.31	11.61
Miscellaneous expenses	67.55	45.76
Total	**1,481.41**	**1,916.37**

36. Exceptional item

	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain on waiver of Principal & interest (refer note 48)	-	12,457
Loss on assets held for sale*	-	(1,603.98)
Gain on waiver of liability component of compound financial instrument (refer note 16(a))	655.12	-
Total	**655.12**	**10,853.47**

*During the previous year, the Company has undertaken review of certain activities and assets held for same. The Company has identified certain assets having Written Down Value (WDV) of INR 1,700.83 Lakhs as at 31 March 2019 and included them under 'Assets held for sale' at their estimated net realisable value. The loss of INR 1,603.98 Lakhs being difference between WDV and estimated realisable value has been recorded under the head 'Exceptional Items'.

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37. Income tax

A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense	-	-
Taxes adjustment related to earlier years	(241.78)	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	**(241.78)**	**-**

B. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2020 and 31 March 2019:

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Rate	Amount	Rate	Amount
Profit before tax		**(255.75)**		**8,867.38**
Tax using the Company's domestic tax rate	26.00%	(66.50)	26.00%	2,305.52
Tax effect of:				
Non-deductible expenses	-34.79%	88.96	0.60%	52.89
Non-taxable income	66.60%	(170.33)	-34.95%	(3,099.59)
Unrecognised deferred tax	-55.21%	141.21	8.36%	741.18
Others	-2.60%	6.65	-	-
Effective tax rate	**0.40%**	**(0.00)**	**0.00%**	**(0.00)**

C. Deferred tax assets/ liabilities

As at 31 March 2020, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainity of taxable profits in future years. deferred tax assets have not been recognised. The Company reassess the unrecognalsed deferred tax assets at each reporting period and recognise the deferred tax assets over its deferred tax liability when it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets/ (liabilities)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	(50.23)	75.60	-	-	(50.23)	75.60
Provision for gratuity and compensated absences	42.40	26.75	-	-	42.40	26.75
Unabsorbed depreciation	4,244.79	3,928.49	-	-	4,244.79	3,928.49
Business loss	3,087.53	3,139.56	-	-	3,087.53	3,139.56
Provision for trade receivables and other advances	678.48	671.16	-	-	678.48	671.16
Right of use assets	-	-	(31.43)	-	(31.43)	-
Lease liabilities	11.22	-	-	-	11.22	-
Total -	**8,014.19**	**7,841.56**	**(31.43)**	**-**	**7,982.77**	**7,841.56**

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

D. Movement of temporary differences

Particulars	As at 1 April 2018	Movement during 2018-19	Recognised in OCI during 2018-19	As at 31 March 2019	Movement during 2019-20	Recognised in OCI during 2019-20	As at 31 March 2020
Property, plant and equipment	193.60	(118.00)	-	75.60	(125.83)	-	(50.23)
Provision for gratuity and compensated absences	17.22	9.53	-	26.75	15.65	-	42.40
Unabsorbed depreciation	3,531.77	396.72	-	3,928.49	316.30	-	4,244.79
Business loss	2,917.64	221.92	-	3,139.56	(52.03)	-	3,087.53
Provision for trade receivables and other advances	779.89	(108.73)	-	671.16	7.32	-	678.48
Right of use assets	-	-	-	-	(31.43)	-	(31.43)
Lease liabilities	-	-	-	-	11.22	-	11.22
Total	**7,440.12**	**401.44**	**-**	**7,841.56**	**141.21**	**-**	**7,982.77**

E. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

Expire Year	As at 31 March 2020 Gross amount	As at 31 March 2020 Unrecognised tax effect	As at 31 March 2019 Gross amount	As at 31 March 2019 Unrecognised tax effect
Business Loss				
FY 2021-22	3,492.34	908.01	3,492.34	908.01
FY 2022-23	3,762.74	978.31	3,762.74	978.31
FY 2023-24	1,790.56	465.54	1,790.56	465.54
FY 2024-25	1,462.08	380.14	1,462.08	380.14
FY 2025-26	242.71	63.10	242.71	63.10
FY 2026-27	1,124.70	292.42	1,324.82	344.45
FY 2027-28	-	-	-	-
Unabsorbed depreciation				
Never expire	16,326.12	4,244.79	15,109.57	3,928.49
	28,201.25	**7,332.33**	**27,184.82**	**7,068.04**

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38. Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Board of Directors collectively who have been identified as Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The Company is mainly engaged in the business of metal fabrication comprising load bodies for commercial vehicles and rail freight wagons. These, in the context of Ind - AS 108 is considered to constitute one single reportable segment. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.

B. Geographical information

The Company's revenue from operations i.e. metal fabrication comprising load bodies for commercial vehicles and rail freight wagons is located in India only. Hence, no additional disclosure about geographical information has been given.

C. Major customers

Revenue from customers of the Company's single segment which is more than 10 percent of the Company's total revenue are as follows:

Name of the Customer	For the year ended 31 March 2020	For the year ended 31 March 2019
Tata Motors Limited	7,108.10	12,981.46
Volvo Eicher Commercial Vehicle Limited	1,584.39	4,283.16
Indian Railway (Ministry of Railways)	1,854.26	-
Total	**10,546.75**	**17,264.62**

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39 Leases

Leases under Ind AS 116 for the year ended 31 March 2020

The detail of the right-of-use assets held by the Company is as follows:

Particulars	Depreciation charges for the year ended 31 March 2020	Net Carrying amount as at 31 March 2020
Land	6.75	120.87
Total	**6.75**	**120.87**

Additions to right-of-use assets during the year ended 31 March 2020 were Rs. 43.51 Lakhs

Amount regosnised in statement of Profit and Loss :

	For the year ended 31 March 2020
Interest on leases liability	5.72
	5.72

Amount recognised in statement of cash flow

	For the year ended 31 March 2020
Total cash outflow for leases	5.40
	5.40

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 13.20%

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 in the financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised

and exclusion of short-term leases for which the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, in measuring the lease liability in accordance with Ind AS 116

Leases under Ind AS 17 for the year ended 31 March 2019

Operating lease - As a lessee

Particulars	**As at 31 March 2019**
Payable within one year	5.40
Payable between one and five years	21.60
Payable later than five years	70.20
	97.20

40. Contingent liabilities and commitments

A. Contingent liabilities

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Income tax matters	594.65	15.93
Excise duty and Service tax matters {INR 0.55 Lakhs (Previous Year INR 0.55 Lakhs) paid under protest}	2,061.49	2,075.21
Sales tax and Entry tax matters {INR 78.66 Lakhs (Previous Year INR 78.66 Lakhs) paid under protest}	1,584.27	1,893.23
Total	**4,240.41**	**3,984.37**

1. The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

2. It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

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3. Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. The Company has estimated the impact of the same from 1 March 2019 to 31 March 2020 based on a prospective application of the aforesaid judgement and has recognised the same in the financial statements.
Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years. Further, management also believes that the impact of the same on the Company will not be material.

4. Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

B. Commitments

i. **Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 484.05 lakhs (Previous year: INR 38.95 lakhs).

ii. **Other commitments:** The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

41. Earning per share

Basic and diluted earning/(loss) per share
Basic and diluted earning/(loss) per share is calculated by dividing the loss during the year attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31 March 2020	For the year ended 31 March 2019
(loss)/profit after tax attributable to equity shareholders	(INR in lakhs)	(13.97)	8,867.38
Weighted average number of equity shares outstanding during the year	(in number)	89,482,657	61,472,385
Nominal value per share	INR	10.00	10.00
Basic and diluted earning/(loss) per share	INR	(0.02)	14.42

Reconciliation of weighted average number of equity shares for calculation of Basic and diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of INR 10 per share		
Balances as at 1 April 2018	54,942,964	54,942,964
Issued during the year 2018-19	34,539,693	6,529,421
Balance as at 31 March 2019	89,482,657	61,472,385
Issued during the year 20019-20	-	-
Balance as at 31 March 2020	89,482,657	89,482,657

At present, the Company does not have any dilutive potential equity shares

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42. Employee benefits

During the year, the Company has recognized following amounts in the statement of profit and loss :

A. Defined Contribution plans

The Company has recognised the following amounts in the statement of profit and loss:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Employer's contribution to provident fund	23.15	22.66
Employer's contribution to employees' state insurance	4.83	5.11

B. Defined benefit plans

Gratuity:

The Company provides for gratuity for employees in India as per the Paymemt of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Company employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

The following table set out the status of the defined benefit obligation

	31 March 2020	31 March 2019
Net defined benefit liability- Gratuity	74.38	48.14
Total employee benefit liabilities		
Non current	74.38	24.14
Current	-	24.00

For details about the related employee benefit expenses, refer note no.32

(i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components

Particulars	31 March 2020	31 March 2019
Balance at the beginning of the year	95.86	85.04
Benefits paid	(3.76)	(5.04)
Current service cost	11.53	9.22
Interest cost	7.22	6.36
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	10.94	-
- demographic assumptions	-	(0.02)
- experience adjustments	15.22	0.30
Balance at the end of the year	**137.01**	**95.86**

(i) Reconciliation of the present value of plan assets

The following table shows a reconciliation from the opening balances to the closing balances for the plan assts

Particulars	31 March 2020	31 March 2019
Balance at the beginning of the year	47.74	41.33
Contributions paid into the plan	16.00	9.00
Benefits paid	(3.76)	(5.04)
Interest income	3.87	3.36
Actual return on plan assets recognised in other comprehensive income	(1.21)	(0.91)
Balance at the end of the year	**62.64**	**47.74**

ii) Expense recognized in profit or loss

Particulars	31 March 2020	31 March 2019
Current service cost	11.53	9.22
Interest cost	7.22	6.36
Interest income	(3.87)	(3.36)
	14.88	**12.22**

iii) Remeasurements recognized in other comprehensive income

Particulars	31 March 2020	31 March 2019
Actuarial (gain) loss on defined benefit obligation	26.16	0.28
Return on plan assets excluding interest income	1.21	0.91
	27.37	1.20

iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2020	31 March 2019
Financial assumptions (p.a.)		
Discount rate	6.90%	7.75%
Future salary growth	7.00%	7.00%
Expected return on Assets	7.50%	7.50%
Demographic assumptions		
Mortality rate		
Withdrawal rate		
Retirement age	60 years	60 years

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As at 31 March 2020, the weighted average duration of the defined benefit obligation was 10.15 years (Previous year : 9.58 years)

v) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(3.59)	3.88	(2.22)	2.39
Future salary growth (0.50%)	3.86	(3.60)	2.40	(2.25)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

vi) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at 31 March 2020	As at 31 March 2019
Year 1	11.89	5.48
Year 2	5.60	7.89
Year 3	10.19	4.71
Year 4	9.76	8.76
Year 5	4.80	8.26
Next 5 years	279.34	205.34

The Company expects to contribute INR Nil (Previous year : INR 24 lakhs) towards gratuity fund scheme in the next financial year.

C. Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

a) Interest risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Longitivity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

c) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Company makes annual contribution to Life Insurance Corporation (LIC). As LIC does not disclose the composition of its portfolio investments, break-down of plan investments by investment type is not available to disclose.

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Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

43. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Name and description of relationship of the related party

Party having significant influence on the Company by virtue of their shareholding
Jupiter Wagons Limited

Key managerial personnel

S. No.	Name	Designation
1	Mr. Prakash Y. Gurav	Non Executive Independent Director
2	Mr. M.V. Rajarao	Non Executive Independent Director
3	Ms. Vineeta Shriwani	Non Executive Independent Director
4	Mr. Asim Ranjan Das Gupta (upto 22 May 2019)	Non Executive Director
5	Mrs. Madhuchhandha Chatterjee (w.e.f. 22 May 2019)	Non Executive Director
6	Mr. Abhishek Jaiswal	Whole Time Director and Chief Executive Officer
7	Mr. Kailash Gupta (upto 21 January 2019)	Non Executive Promoter Director
8	Mr. Sanjiv Keshri (w.e.f. 10 August 2019)	Chief Financial Officer
9	Mr. Amit Jain	Company Secretary

Enterprise over which key management personnel or their relatives are able to exercise significant influence

S.No.	Name
	Upto 21 January 2019
1	Commercial Motors Sales Private Limited
2	Commercial Automobiles Private Limited
3	Kailash Motors

B. Transactions with related parties:

Party in respect of which the Company is Significant Investee

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of Raw Materials and Components		
Jupiter Wagon Limited	1,530.17	69.01
Purchase of Capital Goods		
Jupiter Wagon Limited	350.49	-
Job Work charges		
Jupiter Wagon Limited	151.75	-
Reimbursement of expenses		
Jupiter Wagon Limited	20.67	-

Enterprise over which key management personnel or their relatives are able to exercise significant influence

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of finished goods		
Commercial Automobiles Private Limited	-	766.66
Reimbursement of expenses		
Commercial Automobiles Private Limited	-	1.21
Commercial Motors Sales Private Limited	-	0.37
Kailash Motors	-	0.53
Payment against reimbursement of expenses received		
Commercial Motors Sales Private Limited	-	1.21
Commercial Automobiles Private Limited	-	0.37
Kailash Motors	-	0.53

Transactions with key management personnel

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund :		
Mr. Abhishek Jaiswal	37.48	30.79
Mr. Sanjiv Keshri	26.25	-
Mr. Amit Jain	26.63	21.32
Total compensation paid to key management personnel	90.36	52.11

Key management personnel are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability for Key management personnel cannot be ascertained separately, except for the amount actually paid.

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Transactions with key management personnel other than above

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Director sitting fees		
Mr. Prakash Y. Gurav	2.25	2.30
Mr. M.V. Rajarao	2.25	1.60
Ms. Vineeta Sriwani	1.60	1.95
Total compensation paid to key management personnel	**6.10**	**5.85**

C. **Balances with related parties**

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable		
Jupiter Wagons Limited	1059.77	69.01
Capital creditors		
Jupiter Wagons Limited	37.01	-
Total	**1,096.78**	**69.01**

Notes:

1. **Terms and conditions of transactions with the related parties**
Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

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44. Details of dues to micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act (MSMED), 2006:

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period		
- Principal	27.78	166.69
- Interest	44.20	19.02
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	14.54	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period.	44.20	19.02
(f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	-	-

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45. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 31 March 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	-	-	-	-	-	-	-
(ii) Loans	-	-	56.10	56.10	-	-	-
Current							
(i) Trade receivables*	-	-	1,110.56	1,110.56	-	-	-
(ii) Cash and cash equivalents*	-	-	282.05	282.05	-	-	-
(iii) Bank balances other than (ii) above*	-	-	168.25	168.25	-	-	-
(iv) Loans*	-	-	199.43	199.43	-	-	-
(v) Other financial assets*	-	-	41.03	41.03	-	-	-
Total	-	-	1,857.42	1,857.42			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	2,690.01	2,690.01	-	-	-
(ii) Lease liabilities*	-	-	42.78	42.78	-	-	-
(iii) Other financial liabilities*	-	-	5.10	5.10	-	-	-
Current							
(i) Borrowings#	-	-	2,083.55	2,083.55	-	-	-
(ii) Lease liabilities*	-	-	0.39	0.39	-	-	-
(iii) Trade payables*	-	-	3,440.72	3,440.72	-	-	-
(iv) Other financial liabilities*	-	-	470.32	470.32	-	-	-
Total	-	-	8,732.89	8,732.89			

ii. As on 31 March 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	-
(ii) Loans*	-	-	57.68	57.68	-	-	-
Current							
(i) Investments*	-	-	-	-	-	-	-
(ii) Trade receivables*	-	-	1,774.82	1,774.82	-	-	-
(iii) Cash and cash equivalents*	-	-	2,302.67	2,302.67	-	-	-
(iv) Bank balances other than (iii) above*	-	-	87.26	87.26	-	-	-
(v) Loans*	-	-	250.19	250.19	-	-	-
(vi) Other financial assets*	-	-	187.46	187.46	-	-	-
Total	0.10	-	4,660.08	4,660.18			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	3,403.27	3,403.27	-	-	-
(ii) Other financial liabilities*	-	-	5.10	5.10	-	-	-
Current							
(i) Borrowings#	-	-	462.55	462.55	-	-	-
(ii) Trade payables*	-	-	2,530.41	2,530.41	-	-	-
(iii) Other financial liabilities*	-	-	643.05	643.05	-	-	-
Total	-	-	7,044.38	7,044.38			

The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents, lease liabilities and other financial assets and liabilities, approximates the fair values, due to their short-term nature.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2020 and 31 March 2019.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk - Foreign exchange
- Market risk - Interest rate

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2020	As at 31 March 2019
Investments	-	0.10
Trade receivables	1,110.56	1,774.82
Cash and cash equivalents	282.05	2,302.67
Balances other than cash and cash equivalents	168.25	87.26
Loans	255.53	307.86
Other financial assets	41.03	187.46

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.
Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount	
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
1-90 days past due *	1,001.28	1,699.75
91 to 180 days past due	108.45	37.49
More than 180 days past due #	1,507.50	1,511.93
	2,617.23	**3,249.17**

* The Company believes that the amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	1,474.35	1,701.72
Impairment loss recognised / (reversed)	-	3.88
Amount written off out of above	32.31	(231.25)
Balance at the end of the year	1,506.66	1,474.35

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b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2020	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	1,854.35	-	1,854.35	-	1,854.35
Lease liabilities	42.78	-	3.35	39.43	42.78
Other financial liabilities	5.10	-	-	5.10	5.10
		-			
Current liabilities		-			
Borrowings	2,285.59	2,285.59	-	-	2,285.59
Lease liabilities	0.39	0.39	-	-	-
Trade payables	3,440.72	3,440.72	-	-	3,440.72
Other financial liabilities	470.32	470.32	-	-	470.32
Total	**8,099.24**	**6,197.02**	**1,857.70**	**44.53**	**8,098.85**

As at 31 March 2019	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	2,036.23	-	1,596.49	439.74	2,036.23
Other financial liabilities	5.10	-	-	5.10	5.10
Current liabilities					
Borrowings	747.79	747.79	-	-	747.79
Trade payables	2,530.41	2,530.41	-	-	2,530.41
Other financial liabilities	643.05	643.05	-	-	643.05
Total	**5,962.58**	**3,921.25**	**1,596.49**	**444.84**	**5,962.58**

* Pertains to debt component of compound financial instrument. The contractual cash flows are based on management's intent since the preference shares are redeemable only as fully paid up.

#Carrying amount presented as net off unamortized transaction cost.

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows as there is no transaction in foreign currency in current year and previous year.

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

b. Financial risk management (continued)

(iii) Market risk

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk
The Company's interest rate risk arises majorly from the term loans from banks/Non banking financial companies (NBFC) carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2020	As at 31 March 2019
Term loans from banks (Non current)	1,854.35	2,036.23
Term loans from banks (Current)	1,598.21	-
Current maturities of borrowings	202.04	285.24
Total	**3,654.60**	**2,321.47**

Cash flow sensitivity analysis for variable-rate instruments
A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2020	36.55	(36.55)
For the year ended 31 March 2019	23.21	(23.21)

46. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020.

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings	4,975.60	4,151.06
Less : Cash and cash equivalent	(282.05)	(2,302.67)
Adjusted net debt (A)	4,693.55	1,848.39
Total equity (B)	9,544.20	9,585.54
Adjusted net debt to adjusted equity ratio (A/B)	**49.18%**	**19.28%**

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47 (A) "Other Current Financial Assets" include Inter corporate deposits (ICD) of INR 1,000.00 Lakhs given to two Companies in an earlier year and which are outstanding as on 31 March 2020. These amounts have been fully provided for, as doubtful of recovery, in an earlier years. The Company has, during the earlier year filed a legal suit for recovery of the same (along with accumulated interest thereon). This case is lying before the Second Additional District Judge, Jabalpur.

47 (B) Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019

Pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company had started paying differential Excise Duty on behalf of customer on sales made to them since September 2010 under protest. The Excise department had issued demand notices in respect of this matter aggregating Nil (Previous year : INR 2,809.10 Lakhs). The aggregate of total payment made under protest up to the year-end is Nil (Previous year: INR 2,688.07 Lakhs). The liability, if any in this regard was recoverable from the customer and accordingly there will be no impact on Statement of Profit and Loss, as consequence of the outcome of this case. Further, during the year, the Company has opted SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019. In addition to the amount paid by the Company in earlier years under protest, the amount of duty demand under the said scheme were INR 842.64 lakhs. The entire additional amount is paid by the customer directly to the department. Consequently, there is no disputed liability pending in respect of the above matter.

48. During the previous year, pursuant to a Resolution Plan, the Company, the lenders, the erstwhile promoters and the incoming investor entered into an agreement on 1 December 2018. The Resolution Plan mainly includes partial waiver of the principal amount of loan and interest, issuance of equity shares to the incoming investor, transfer of pledged promoter shares to the incoming investor, grant / renewal of the credit facilities subject to certain terms and conditions and issuance of non-convertible redeemable preference shares.

The above plan received shareholders approval on 7 January 2019.

Following is the summary of impact of the Resolution Plan which lead to modification of loan during the year ended 31 March 2019:

S. No.	Particulars	Recognised in Statement of Profit and Loss*	Recognised in Other Equity**
(i)	The lenders have given waiver towards principal amouting to INR 2,618.13 Lakhs.	2,618.13	-
(ii)	The lenders have given waiver towards interest for the period 1 July 2017 till the date of Resolution plan i.e. 22 January 2019. The total relief on account of interest not payable as per the Resolution plan is INR 3,792.95 Lakhs.	3,792.95	-
(iii)	Out of total principal amount due to lenders, an amount of INR 6,748.23 Lakhs has been converted to unlisted Non Convertible Cumulative Redeemable Preference Share (NCPRS) of INR 100 each amounting to INR 6,748.23 Lakhs. These will carry coupon rate of 0.001% and will be redeemable by the Company upon expiry of 5,887 days. In accordance with Ind-AS 109 - Financial Instruments, the Company has done the initial recognition of NCPRS at fair value of INR 701.86 Lakhs due to which a gain of INR 6,046.37 Lakhs has been recognised in the statement of profit and loss.	6,046.37	-
(iv)	The lenders have exercised the pledge on 30,217,528 equity shares at price of INR 15.44 per share. Thus, there is a debt settlement of INR 3,983.11 Lakhs against the invocation of pledge of shares which has been considered as deemed contribution from shareholders.	-	3,983.11
	Total	**12,457.45**	**3,983.11**

Further, one of the lenders has refinanced the existing loan into a new term loan amounting to INR 2,377 Lakhs.
*Disclosed as Exceptional item in note 36
**Disclosed as "Deemed contribution from shareholders" in Other Equity

The management believes that the above Resolution Plan together with continued customer support and ownership change will result in revival of operations of the Company.

Pursuant to the Resolution Plan as mentioned above, the share capital of the Company has undergone a change during the year ended 31 March 2019 which is explained below:

Authorized Share Capital :- Increased from INR 7,705.00 Lakhs to INR 18,005.00 Lakhs, the details are as under
- 57,050,000 equity share capital of INR 10 each amounting to INR 5,705.00 Lakhs has been increased to 92,050,000 equity share capital of INR 10 each amounting to INR 9,205.00 Lakhs.
- 2,000,000 preference share of INR 100 each amounting to INR 2,000.00 Lakhs has been increased to 8,800,000 preference share capital INR 100 each amounting to INR 8,800.00 Lakhs.

Paid up capital :- Increased from INR 6,794.30 Lakhs to INR 16,996.49 Lakhs, detailed as under:
- Equity share capital has increased from 54,942,964 equity shares of INR 10 each amounting INR 5,494.30 Lakhs to 89,482,657 equity shares of INR 10 each amounting to INR 8,948.27 Lakhs.
- Issue of 6,748,229 Non Convertible Cumulative Redeemable Preference Share Capital of INR 100 each amounting to INR 6,748.23 Lakhs.
- 2,000,000 Non Convertible Cumulative Redeemable Preference Share Capital of INR 65 each amounting to INR 1,300.00 Lakhs (there is no change in same).

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49. In March 2020, the World Health Organisation declared the COVID-19 to be a pandemic. Consequent to this, Government of India declared a nationwide lock down on 25 March 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amount of receivables, inventories, tangible and intangible assets and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of this pandemic, the Company has considered internal and external information available till the date of approval of these financial statements and has assessed its situation.

In that context and based on the current estimates the Company believes that COVID-19 is not unlikely to have any material impact on financial statements, liquidity or ability to service its debt or other obligations. However the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on financial statements of the relevant periods.

50. Previous year figures have been regrouped / reclassified to conform to the current year's classification.

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

Shashank Agarwal
Partner
Membership No.: 095109
Place: Gurugram
Date: 22 July 2020

For and on behalf of Board of Directors of
Commercial Engineers and Body Builders Co Ltd.

P.Y. Gurav
Director
(DIN: 07004577)
Place: Pune
Date: 22 July 2020

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer
(DIN: 07936627)
Place: Jamshedpur
Date: 22 July 2020

Sanjiv Nigam
Chief Financial Officer
(CA Membership No. 062281)
Place: Kolkata
Date: 22 July 2020

Amit Jain
Company Secretary
(CS Membership No. 39779)
Place: Indore
Date: 22 July 2020

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