

Commercial Engineers & Body Builders Co. Limited



AN ISO/TS 16949:2009 Company
CIN-L24231MP1979PLC049375

Regd. Office: 48, Vandana Vihaar, Narmada Road, Gorakhpur, Jabalpur (M.P.) INDIA
Email Id – cs@cebbco.com, Website – www.cebbco.com, Tel – 0761-2661336

September 01, 2020

To,

The Secretary,
Bombay Stock Exchange Limited,
25th Floor, P J Towers,
Dalal Street,
MUMBAI - 400 001
Fax No.022 2272 2061/022 2272
2041

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No C/1 G
Block, Bandra Kurla Complex, Bandra
(East) **Mumbai 400051**
Fax No. 022-2659 8237/38,
66418124/25/26

Dear Sir,

Sub: Submission of Annual Report of the Company for the FY 2019-2020
Submission of Notice convening 40th Annual General Meeting for the F.Y. 2019-2020

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report of the Company for the FY 2019-2020 including Notice convening the 40th Annual General Meeting (AGM) to be held on Thursday 24th September, 2020.

The Annual Report and the Notice of 40th AGM is also placed on the website of the Company i.e. www.cebbco.com and can be accessed as per the details given below:

Annual Report for the FY 2019-20: http://www.cebbco.com/docs/profile_for_investors.html

For COMMERCIAL ENGINEERS AND BODY BUILDERS CO. LIMITED


Amit K Jain
Company Secretary



Factory (Unit I) : 21,22,33,34, Industrial Area Richhai, Jabalpur - 482010 M.P.,
Factory (Unit II) : NH12-A, Village Udaipura, Teh. Niwas, Distt. Mandla - 481661 M.P.,
Factory (Unit III) : Plot No. 690 to 693 & 751 to 756, Sector III, Industrial Area, Pithampur, Distt. Dhar,
Factory (Unit IV) : Industrial Area Richhai, Jabalpur - 482010 M.P.
Factory (Unit V) : Plot No. 742, Asangi Phase Area, Saraikela, Jharkhand – 932109,
Factory (Unit VI) : 118, Village Imlai, Near Deori Railway Station, P.O. Panagar, Jabalpur - 483220



Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements -written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate','expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in making the assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumption prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update and forward-looking statements, whether as a result of new information, future events or otherwise

CORPORATE INFORMATION

<p>Board of Directors Mr. Abhishek Jaiswal Whole Time Director & C.E.O.</p> <p>Mr. Prakash Yashwant Gurav Independent and Non-Executive Director</p> <p>Mr. Manchi Venkat Rajarao Independent and Non-Executive Director</p> <p>Prof. Ganesan Raghuram Independent and Non-Executive Director</p> <p>Ms. Vineeta Shriwani Independent and Non-Executive Director</p> <p>Mrs. Madhuchhandha Chatterjee Non-Independent and Non-Executive Director</p> <p>Key Managerial Personnel</p> <p>Mr. Sanjiv Keshri Chief Financial Officer</p> <p>Mr. Amit K Jain Company Secretary</p>	<p>Statutory Auditors B S R & CO. L L P Building No.10, 8th floor Tower B, D L F Cyber City, Phase-2, Gurgaon-122002</p> <p>Secretarial Auditors S. K. Gupta & Co 9, Roland Complex, Company Secretaries Upper Floor, 37/17, Westcott Building, The Mall, Kanpur-208001</p> <p>Registered Office 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur (M.P.) – 482001</p> <p>CIN L24231MP1979PLC049375</p> <p>Registrar and Transfer Agent Kfin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32 Financial District Nanakramguda Serilingampally Mandal Hyderabad - 500032 India Toll Free No: 18003454001</p> <p>Bankers and Financial Institutions Axis Bank Ltd. IndusInd Bank Ltd. State Bank of India Kotak Mahindra Bank Limited</p>
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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs vide its circular dated 8 April 2020, 13 April 2020 and 5 May 2020 has provided an option to Companies to conduct Annual General Meeting during the Calendar Year 2020 through “VC or OAVM” and send financial statements (including board’s report, auditors report and other documents to be attached therewith) through email only. Accordingly, the Annual report of the Company for the year 2019-20 along with Notice of AGM are being sent only by email to the members, and all other persons/entities entitled to receive the same / whose email ids are registered with the depositories / RTA and that the 40th Annual General Meeting will be convened through VC or OAVM.

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MESSAGE FROM BOARD OF DIRECTORS

Dear Shareholders,

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

During the year, the Company recorded sales (net of GST and other income) of Rs. 12903 Lakhs as compared to Rs. 21655 lakhs for FY 2018-19, which is about 40 % lower. The year witnessed a significant drop in demand from commercial vehicle OEMs for tippers and loss of sale in the month of March 2020 post lock down. The Company has started execution of orders for railway freight wagons.

While the railway order was received in the year 2018-19, the shipment could commence only in February 2020.

Last year, we had communicated to you regarding debt restructuring by the lender banks and change in promoters of the Company. Post the restructuring and infusion of funds by new promoters in FY 2018-19, the Company's debt burden has come down and the company now has fund based limits of Rs. 2000 Lakh and Rs 1500 Lakhs of non-fund limits. This should enable the Company to cater to the railway business and also increase its share in tipper volumes.

The economists expect a massive contraction in the economy in the first quarter of 2020-21 and is likely to pull down the full-year growth to a 5-7 per cent contraction. This will certainly impact the demand for trailers from commercial vehicle OEMs and it is expected the demand will gradually improve in the second half.

In Railways vertical as you are aware we had been able to get the company re-registered and got qualified for G-105 registration. With this we were able to participate in Indian Railways tender and received an order for 500 wagons amounting to Rs. 15000 lacs. The company siding got approved in February 2020,. After this approval we started delivering railway order and delivered 63 wagons during the last quarter. We will be completing balance 437 in 2020-21. This segment gives us a big opportunity for growth going forward

As an ongoing exercise management continues to focus on cost reduction and optimization of resources and is working on proper restructuring of organization to be lean and effective to achieve set objectives of the company. Severe pressure on cost remains a challenge for the company.

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

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

Thank you,

Yours sincerely,

On behalf of Board of Directors

P.Y. Gurav

Director

(DIN: 02004317)

Abhishek Jaiswal

Whole Time Director & C.E.O.

(DIN: 07936627)

Financial Highlights

Profit & Loss Statement

(₹ in Lakhs)

Particulars	As per Indian GAAP Accounting					As per Ind AS			
	F.Y. 2013	F.Y. 2014	F.Y. 2015	F.Y. 2016	F.Y. 2017	F.Y. 2017	F.Y. 2018	F.Y. 2019	F.Y. 2020
Income									
Net Sales	49,797.10	13,156.50	11,076.02	10,118.09	10,456.75	10,393.02	9,587.29	21,272.74	12,356.20
Other Operational Income	493.05	729.49	768.36	697.91	140.68	140.68	129.21	307.22	218.19
Other Income	138.41	268.71	239.98	112.72	44.38	44.38	116.43	75.91	329.35
Total Revenues	50,428.56	14,154.70	12,084.36	10,928.72	10,641.81	10,578.08	9,832.93	21,655.87	12,903.74
Expenditure									
Manufacturing Expenses	39,259.26	14,062.04	11,353.51	9,272.76	9,331.71	8,463.54	7,784.30	17,794.13	9,982.31
Personnel Cost	1,286.39	1,051.69	852.62	720.69	584.22	584.04	495.34	679.10	901.98
Selling & Admin Cost	3,248.96	912.33	1,730.63	2,107.96	592.18	1,324.64	1,431.37	1,916.37	1,481.41
EBIDTA	6,495.54	(2,140.07)	(2,092.38)	(1,285.41)	89.32	161.48	5.49	1,190.36	208.69
EBIDTA Margin (%)	13.04	(16.27)	(18.89)	(12.70)	0.85	1.55	0.06	5.60	1.69
Depreciation	1,670.31	3,006.43	2,026.29	1,451.26	1,046.44	1,035.80	1,035.23	1,037.91	831.74
EBIT	4,963.64	(4,877.79)	(3,878.69)	(2,623.95)	(912.74)	(829.94)	(913.31)	228.36	(293.70)
Interest Expenses	1,613.53	1,895.32	2,157.39	2,095.39	2,392.38	2,730.34	2,777.96	2,214.45	617.17
Profit/(Loss) Before Exceptional Items & Tax (PBT)	3,350.11	(6,773.11)	(6,036.08)	(4,719.34)	(3,305.12)	(3,560.28)	(3,691.27)	(1,986.09)	(910.87)
Exceptional Items- (Gain)/Loss, net	0.00	0.00	6,300.00	5,367.00				(10,853.47)	(655.12)
Tax and MAT	542.31	0.00	0.00	389.87					(241.78)
Deferred Tax	957.24	269.97	(2,081.47)	0.00					
Profit/(Loss) After Tax (PAT)	1,850.56	(7,043.08)	(10,254.61)	(10,476.21)	(3,305.12)	(3,560.28)	(3,691.27)	8,867.38	(13.97)
Other Comprehensive Income (IndAS)						(0.18)	5.32	(1.20)	(27.37)
Profit/(Loss) After Tax (PAT)	1,850.56	(7,043.08)	(10,254.61)	(10,476.21)	(3,305.12)	(3,560.46)	(3,685.95)	8,866.18	(41.34)

Balance Sheet

(₹ in Lakhs)

Particulars	As per Indian GAAP Accounting					As per Ind AS			
	F.Y. 2013	F.Y. 2014	F.Y. 2015	F.Y. 2016	F.Y. 2017	F.Y. 2017	F.Y. 2018	F.Y. 2019	F.Y. 2020
Fixed assets	32,118.80	30,356.17	22,877.82	16,052.38	14,967.73	14,667.13	13,651.55	11,310.29	11,680.02
Financial assets	60.03	0.10	0.10	0.10	0.10	93.41	44.10	57.78	56.10
Other assets (Current and Non Current)	30,197.93	11,989.40	9,395.20	7,498.67	7,926.33	7,752.48	7,157.08	9,489.84	8,253.04
Total Application of Funds	62,376.76	42,345.67	32,273.12	23,551.15	22,894.16	22,513.02	20,852.73	20,857.90	19,989.16
Equity share capital	5,494.30	5,494.30	5,494.30	5,494.30	5,494.30	5,494.30	5,494.30	8,948.27	8,948.27
Other equity (inclusive of Reserves and Surplus)	21,908.89	15,122.93	5,768.32	-4,307.89	-7,613.01	-8,526.07	-12,212.02	637.27	595.93
Other Liabilities (Current and Non Current)	34,973.57	21,728.44	21,010.50	22,364.74	25,012.87	25,544.79	27,570.45	11,272.37	10,444.96
Total Sources of Funds	62,376.76	42,345.67	32,273.12	23,551.15	22,894.16	22,513.02	20,852.73	20,857.90	19,989.16

Key Facts

Product Verticals

With a broad range of product offerings in the commercial vehicle and Railways categories and recent addition of some general fabrication prospects from power sector, CEBBCO's business is intertwined with the infrastructure development of the country.

CEBBCO is one of the leading manufacturers in India of vehicle bodies for commercial vehicles with an extensive portfolio of product offerings. Further, the Company has a facility for making freight wagons, which is now fully equipped with facilities of wagon production. The company carries out refurbishment of freight wagons and manufacturing of components for wagons and locomotives.

Commercial Vehicle / Fully Built Vehicle (FBV)

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

Railways

The Company had a class manufacturing facility which went for renewal of its RDSO (G-105) registration. The company was awarded with 500 wagons order from Indian Railways and have completed major part of it till now. With new promoters coming in the company was able to expand its operating band width and was able to fetch BACCBM wagon orders from private operators. Company is pursuing with full force the opportunity in this high demand segment.

General fabrication

With strong pollution norms being implemented in power sectors there is surge of requirement on fabrication items for FGD. Company has started working for these structures and is targeting good numbers in coming year.

Strengths

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

Manufacturing Plants

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

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

Key Customers

Business	Customers
Commercial Vehicles / FBV	Tata Motors Ltd. VE Commercial Vehicles Ltd. (VECV) Ministry of Defence (Vehicle Factory Jabalpur) Mahindra & Mahindra Limited Reliance Industries Limited
Railways	Ministry of Indian Railways Joshi Konoike Transport & Infrastructure Pvt. Ltd GATX India Private Limited

Well Diversified Product Portfolio
Mining & Road Construction

1. Tipper Bodies
2. Tanker Bodies
3. Tip Trailers

Goods Transportation

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

Solid Waste Management

1. Skip - Loaders
2. Garbage - Bin Collectors

Municipal Applications

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

Defence

1. Troop Carrier Vehicle Bodies
2. Prison Van Bodies
3. Water Bowser Bodies

Railway Components

1. Upgradation and Refurbishment of BOXN wagons
2. Components for Locomotives
3. Components for BOXNR wagons
4. Goods wagon BOXNHL
5. Car Carrier Wagon BCACBM

Power Plant structural

1. Electro static precipitators structures
2. FGD Structures

MANAGEMENT DISCUSSION AND ANALYSIS

1) **Indian economic scenario -**

The Indian economy witnessed a gradual slow down during the financial year 2019-20. The impact was further accentuated consequent to outbreak of Corona Virus disease (Covid -19) throughout the world, which compelled the Indian Government to resort to lockdown from mid-March 2020.

It is estimated that as compared to growth of 6.1% for the year 2018-19, the Indian economy grew at 4.2 per cent in 2019-20, and 3 per cent in the last quarter, as the Covid-19 pandemic adversely impacted economic activity in the last month of the fiscal year, especially manufacturing and construction.

The full-year GDP growth is the lowest that India has registered in last 11 years.

Economists expect a massive contraction in the first quarter of 2020-21, due to the two-month lockdown, which is likely to pull down the full-year growth to a 5-7 per cent contraction.

As per data from the Central Statistics Office, for FY 2019-20, manufacturing growth was stagnant at 0.03 per cent.

2) **Industry performance**

The Company is mainly engaged in manufacture of load bodies for commercial vehicles and railway freight wagons.

a) **Commercial vehicle Industry in India and our volumes**

We mainly manufacture tippers for Medium and Heavy-duty segment of commercial vehicles (M&HCV) for OEMs, OEM dealers and other customers.

The overall Commercial Vehicles segment's growth declined by 28.75 percent in April- March 2020 as compared to the same period last year. Within the Commercial Vehicles, Medium & Heavy Commercial Vehicles (M&HCVs) and Light Commercial Vehicles declined by 42.47 percent and 20.06 percent respectively, in April-March 2020 over the same period last year.

The change in axle norm in the year 2018-19, increased the freight carrying capacity of M&HCV, by 20 per cent that led to lower demand for new trucks. The implementation of emission norms BS VI from April 1, 2020, restricted availability of finance and slowing economy in the second half of FY 2019-20, had further impact on demand.

Further, in tipper segment, contraction in demand in manufacturing and real estate, had an adverse impact.

Our total shipments of tippers, trailers and other load bodies were 4726 units in FY 2019-20 as compared to 9470 units in FY 2018-19, representing a de-growth of around 50%.

b) **Railway wagons**

The Company has manufacturing facility for undertaking rail wagon business comprising manufacturing of new wagons, refurbishment of old wagons and supply of assemblies.

Considering the increase of planned off take of wagons by Indian Railways, there exists an opportunity in the sector. In order to encourage goods transportation on rail, the government has taken aggressive policy measures to attract private investment in rail transportation and established dedicated freight corridors. This policy initiative is widely known as 'Special Freight Train Operation' (SFTO). This will change the goods transportation business in India in a big way. In the past, railway focused on passenger and limited goods transportation for coal, food grain, etc. With partial privatization of

railway, there will be viable of alternative to road transportation for all type of goods.

The company re-registered the wagon manufacturing facility and was qualified for G-105 registration. Company's wagon siding got approved in Feb 2020. The Company was successful in delivering 63 wagons during the year out of the order of 500 wagons by Indian Railways, by March 2020.

The Company was also successful in getting orders from private wagon leasing companies. The Company has an order of 113 car carrier wagons. The Rail Wagon Vertical, even in pandemic period, has been able to perform well.

The projections for wagons requirement from Indian Railway and private wagon leasing companies are encouraging and we expect to get another order of 500 wagons from Indian Railways and 7-8 more rakes of car carrier wagon order in financial year 2021-22.

The Company plans to add another product, BTAP wagon, which is used mainly in cement industries. We plan to develop the same by next financial year. Overall, with railway freight increasing and mining projects getting opened, we expect to have smooth rise in this segment for coming years

c) Heavy fabrication

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

The revenue during the year was Rs. 392 Lakhs as compared to Rs Nil for FY 2018-19.

Consequent to restrictions on Chinese imports, Indian companies are expected to increase their order bank, which will benefit this industry. Also enhanced pollution norms and their enforcement goes positive for this segment.

3) FINANCIAL OVERVIEW

Particulars	F. Y. 2019-20	% of Net Sales	F. Y. 2018-19	% of Net Sales
Revenue from Operations	12,574.39	100%	21,579.96	100%
Expenditure				
RM cost and change in inventory	9,982.31	79.39%	17,794.13	82.46%
Employee benefit expenses	901.98	7.17%	679.10	3.15%
Operating and other expenses	1,481.41	11.78%	1,916.37	8.88%
Operating profit (EBITDA)	208.69	1.66%	1,190.36	5.52%
Depreciation and amortizations	831.74	6.61%	1,037.91	4.81%
Finance Cost	617.17	4.91%	2,214.45	10.26%
Other income	329.35	2.62%	75.91	0.35%
Loss before tax and exceptional items	(910.87)	-7.24%	(1,986.09)	-9.20%
Exceptional Items - Gains net	655.12	5.21%	10,853.47	50.29%
(Loss)/Profit Before Tax for the Year	(255.75)	-2.03%	8,867.38	41.09%

i) The bifurcation of revenue is given below:-

Sr. No	Particulars	Amount Rs. In Lakhs
1.	Commercial Vehicle Load Bodies & Components	101,08.33
2.	Railway Wagons	18,54.26
2.	Heavy Fabrication	3,92.08
3.	Others	2,19.72
	Total	.125,74.39

ii) The analysis of operating profit is as follows

- a) The decrease in commercial vehicle load bodies & components was partly compensated by railway wagon shipments. However, the overall reduction in sales was Rs 90 crores (42%). For railways, the support costs had to be incurred throughout the year, but shipments started in the last quarter.
- b) The raw material cost was lower at 79.39% of sales as compared to 82.46% of sales for last year, mainly due to product mix, reduction in steel cost and mainly due to value engineering in material consumption in different products.
- c) The employee cost and other expenses are increased as compared to previous year, mainly on account of railway activity.
- d) Exceptional Item
 During the year the Company has forfeited the 0.0001% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) due to non-payment of unpaid calls. Consequent to the forfeiture, the Company has recognized a gain of Rs. 655.12 Lakh as 'Exceptional Item' in the financial statement of the current year
- e) Finance cost has reduced to Rs 617.17 Lakhs from Rs. 2214.45 Lakhs for last year. The restructuring of debt by the banks during 2018-19, resulted in conversion of part of outstanding debt into Preference shares while a part of outstanding debt was waived by lenders.

4) Borrowings -

As on 31-03-2020, the Company has outstanding term loan of Rs. 2056.39 lakhs and Rs. 1598.21 lakhs by way of cash credit.

In view of lock down, the Company has availed moratorium on repayment of principal amount of term loan as allowed by the banks consequent to RBI policy.

Considering the debt servicing requirement for the year, the Company is reasonably confident of meeting these, subject to unforeseen changes in situation

5) Outlook for FY 2020-21 and onwards

As increase in the cases of Covid-19 globally and in India, there continues to be a high degree of uncertainty on the overall market scenario. At this point, there is no visibility of timeline by which vaccine will be available.

Thus the overall performance will depend on unfolding of economy and restoring of industrial demand.

In the long term, considering the measures taken by the government improving economic scenario and Government's

ambitious plans to enhance the infrastructure, the commercial vehicle industry and tipper demand in particular, is likely to gradually increase.

Railway segment gives us a big opportunity for growth during the current financial year and with the removal of working capital/funding constraints, the Company is confident of achieving higher growth in the upcoming years.

6) **TECHNOLOGY – IT Process and Systems**

During the last 5 years the company has not been able to make adequate investments to upgrade the software or the hardware to keep pace with development and to harness more efficiency in operations. During the year company has specifically focused on upgrading the IT infrastructure.

The Company is currently in the process of implementing SAP to replace the legacy ERP system used.

7) **Corporate governance**

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

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

8) **Risk Management**

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

Cyclicality of the commercial vehicle industry - The demand for tippers is closely linked to overall industrial growth and is vulnerable to cyclicality in the commercial vehicle industry. In addition to rationalizing the production capacities (as already mentioned), the company is focusing on increasing the revenue from other businesses such as Railway wagons, heavy fabrication for power plant, water tankers and load bodies for automotive vehicle used by defense.

Raw material costs – Steel accounts for major portion of the raw material costs. The company has centralized the steel procurement function with the objective of leveraging the volumes to get better prices and is focusing on other cost control measures.

Competition – The Company depends on tippers and other load body business from certain OEM customers. These OEMs have developed more than one supplier to minimize their risk. There is risk of change in OEM policy of with reference to suppliers. The company follows a policy of working closely with select OEMs to enhance its share of business. Further, the company continues to focus on orders from certain dealers.

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

Increase in interest rate/cost: Any increase in interest rate will adversely affect the company. The company is exploring ways and means to tighten its working capital in order lower working capital finance.

Delay in execution of orders:Delays in execution of orders (particularly orders obtained through competitive tenders) can have a negative impact on profitability. The Company continues to monitor closely the execution of orders.

9) Internal control system

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

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

Internal Control systems are implemented:

- a) To safeguard the Company's assets from loss or damage.
- b) To keep constant check on cost structure and process loss.
- c) To provide adequate financial and accounting controls for preparation and reporting of financial performance and state of affairs, in accordance with Accounting Standards.
- d) To maintain proper accounting record and statutory compliances.

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

10) Internal Audit:

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

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

11) Key Financial Ratios (As per IND-AS)

Ratio Descriptions	F.Y. 2019-20	F.Y. 2018-19
PBDIT (EBITDA) as % of net revenue from Operations	1.66%	5.52%
Loss before tax (before exceptional items) as % of net revenue from Operations	-7.24%	-9.20%
(Loss)/Profit before tax as % of net revenue from Operations	-2.03%	41.09%
Return on Net Worth before exceptional items (%)	-9.54%	-20.72%
Return on Net Worth %	-0.43%	92.50%
Gross Debt Equity ratio	0.22:1	0.24:1
Current Ratio	1.09:1	1.43:1
Interest Coverage Ratio	1.09	0.58
Debtors Turnover	11.13	11.99
Inventory Turnover ratio	3.22	15.01

Note on the Change in Ratios

PBDIT /Operating margin:- During FY 2019-20, raw material consumption has been decreased by 3.07%, employees cost and other operating cost increased by 4.03% and 2.90% respectively. Employees and other operating cost increased as compared to previous year due to rolling out of wagon manufacturing plant. The reduction on overall sales is by 42%, however it has been partially compensated by wagon shipment. The net impact is 3.86 % decrease of PBDIT (EBITDA) as % of net revenue from Operations.

Loss before tax (before exceptional items):- In the previous year debt restructuring scheme was approved and implemented, which resulted in decrease in finance cost by Rs. 1597.28 lakh during the year. Previous year few assets were held for sale resulting decrease in depreciation and amortization by Rs. 206.17 lakhs. The net impact is Rs. 1075.22 lakh (1.96%) decrease in loss before tax (before exceptional items).

Return on Net Worth: -Previous year net profit includes notional gain (net) Rs. 108,53 lakhs, resulting decrease by 92.93% return on net worth, whereas during the year return on net worth before exceptional item increased by 11.18% as compared to previous year.

Gross Debt Equity Ratio:-Current year outstanding debts includes Rs. 2056.39 lakh non-current and current long term borrowings as compared to previous year outstanding debts of Rs. 2321.47 lakh non-current and current long term borrowings. The Company is regular in repayment of principal and interest liabilities.

Current Ratio:-Current ratio decreased to 1.09:1 as compared to previous year 1.43:1. During the year Company got sanction of cash credit limit. Current liabilities includes outstanding cash credit balance, as on 31st March, of Rs1598.21 lakh mainly used for wagon manufacturing. The Company is reasonably confident of meeting short term obligations.

Interest Coverage Ratio: -Interest coverage ratio increased to 1.09 as compared to previous year 0.58. The Company have sufficient earning to pay its current interest expense on outstanding debts.

Debtor Turnover Ratio: -Current year debtor turnover ratio is 11.13 as compared to previous year 11.99. The company continues to focus on collection and taking reasonable measures on effectiveness in collecting receivables. Due to pandemic impact at the end of financial period under review, there was delayed collection from debtors.

Inventory Turnover ratio: -Inventory turnover ratio decreased to 3.22 as compared to previous year 15.01 due to increase in inventory on rolling out of wagon manufacturing plant and sudden country wide lock down, by the Government of India, from Middle of March 2020. Inventory includes WIP of Rs 2765.32 lakhs as compared to previous year of Rs .681.09 lakh. The Company continues to focus on optimizing inventory turnover ratio.

Cautionary Statement

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

Date: 01.09.2020

Dear Member, Directors & Auditors

You are cordially invited to attend the **40th Annual General Meeting (the 'AGM')** of the members of Commercial Engineers & Body Builders Co Limited (the 'Company') to be held on, Thursday **September 24th 2020** at 12.30 p.m. through Video Conferencing / Other Audio-Visual Means (OAVM)

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

Thanking You,

For and on behalf of the Board

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

Amit K Jain

Company Secretary

ACS No.: A39779

PAN: ABBPJ7524N

Commercial Engineers & Body Builders Co. Limited
Regd. Office: 48, Vandana Vihar, Narmada Road, Gorakhpur,
Jabalpur (M.P.) - 482001 India
CIN: L24231MP1979PLC049375,
Telephone No. - 0761-2661336,
Email ID - cs@cebbco.com, Website - www.cebbco.com

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting ('AGM') of the shareholders of Commercial Engineers & Body Builders Co. Limited ("Company") will be held on Thursday, 24 September 2020 at 12.30 p.m. through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements and Board's Report

To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March 2020, together with the Reports of Directors and Auditors thereon.

2. Appointment of Director retiring by rotation

To appoint a director in place of Dr. Madhuchhanda Chatterjee (DIN:02510507), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

3. Appointment of Statutory Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company in the casual vacancy caused by the resignation of M/s. B S R & Co. LLP, Chartered Accountants and for subsequent period.

RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendment thereof or re-enactment thereof for the time being in force), M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022 To hold office until the conclusion of the ensuing Annual General Meeting of the company .

RESOLVED FURTHER THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), be and are hereby appointed as Statutory Auditors of the Company for a term of five consecutive years to hold office from the conclusion of the Fortieth Annual General Meeting of the Company till the conclusion of the Forty Fifth Annual General Meeting on a remuneration of 18 lakhs per annum (exclusive of taxes and reimbursement of out of pocket expenses at actuals) with the authority to the Board of Directors to revise the same in respect of any financial year forming part of current tenure of appointment."

SPECIAL BUSINESS**4. Appointment of Mr. Ganesan Raghuram as an Independent Director of the Company for a term of five consecutive years with effect from 19th May 2020**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the 'Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ganesan Raghuram (DIN-01099026) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act in the capacity of Independent Director and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member pursuant to section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a consecutive period of five years, effective from 19 May 2020 up to 18 May 2025.

'RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Ganesan Raghuram be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits as may be prescribed under the Act from time to time and the requisite approvals.'

5. Approval for Related Party Transactions

To consider, and if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 177 and 188 and other applicable provisions, *if any*, of the Companies Act, 2013 ("Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other applicable provisions of law, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Jupiter Wagons Limited, a related party within the meaning of Section 2(76) of the Act, for purchase of components for manufacture of railway wagons, sale/purchase of sample products for development, and including purchase or supply of any goods or service incidental to Railway wagon business, on such terms and conditions as the Board of Directors may deem fit, up to an amount of Rs 50 Crore (excluding GST) for the financial year 2020-21.

RESOLVED FURTHER that the Board of Directors of the Company which shall be deemed to include any Committee thereof or a person who may be delegated with the authority of the Board be and is hereby authorized to execute, transact, enter into any agreement, contract or arrangement and to carry out or perform all such acts, deeds, matters, things, , etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary there of, **with the authority to vary or modify the terms and conditions of contract or arrangement** without being required to seek further approval of the members and the approval of the members of the company shall be deemed to have been given thereto expressly by the authority of this resolution."

By order of the Board of Directors
For **Commercial Engineers & Body Builders Co. Limited**

Place - Jabalpur
Date - 24 August 2020

Amit K Jain
Company Secretary

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e-AGM'
2. The deemed venue for fortieth e-AGM shall be the registered office of the Company
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to sk_gupta@rediffmail.com with a copy marked to einward.ris@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No."
5. Statement pursuant to section 102 of the Act forms part of this Notice. The Board of Directors at its meeting held on 24 August 2020 has decided that the ordinary / special businesses set out under item no. 3 to 5, being considered 'unavoidable', be transacted at the fortieth e-AGM of the Company
6. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act
7. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the e-AGM, i.e. from 12.15 p.m. to 12.45 pm and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholder holding 2% or more share holding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.
8. Institutional Investors, who are members of the Company are encouraged to attend and vote at the fortieth e-AGM of the Company
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or KFin.
10. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be

available on the Company's website at www.cebbsco.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of KFin at www.kfintech.com

11. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with KFin by clicking on the link https://ris.kfintech.com/email_registration/.
12. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with KFin, by clicking the link: https://ris.kfintech.com/email_registration for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.
13. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
14. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail of numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
15. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM
16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode.
17. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL <https://emeetings.kfintech.com/> and clicking on the tab "Post your Queries" during the period starting from 21 September 2020 (9.00 a.m.) upto 22 September 2020 (5.00 p.m.) mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
18. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
19. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.
20. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., 17 September 2020, such person may obtain the User ID and Password from KFin by e-mail request on shyam.kumar@kfintech.com.
21. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail at the e-mail id einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM
22. The Register of Members / share transfer books of the company will remain close from September 21, 2020 up to September 24, 2020 (Both days inclusive) for the purpose of AGM

A. VOTING THROUGH ELECTRONIC MEANS:

- i. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 17 September 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- ii. The details of the process and manner for remote e-voting are given below:
 - i. Initial password is provided in the body of the email.
 - ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
 - iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e. Commercial Engineers & Body Builders Co. Limited ("**CEBBCO**").
- vii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail at sk_gupta1@rediffmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL EVENT No.'

- xi. Members can cast their vote online from 21 September 2020 (9.00 a.m.) till 23 September 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

B. VOTING AT E-AGM:

- i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.
- ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left-hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- v. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

C. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE E-AGM:

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of AGM provided by KFin at <https://emeetings.kfintech.com> by clicking on the tab "video conference" and using their remote e-voting login credentials. The link for e-AGM will be available in members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.
- ii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iii. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- iv. While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- v. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab "Speaker Registration" during the period starting from 21 September 2020 (9.00 a.m.) up-to 22 September 2020 (5.00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.
- vi. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>
- vii. Members who need technical assistance before or during the fortieth e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 345 4001.

D. GENERAL INSTRUCTIONS:

- i. The Board has appointed Mr. S.K. Gupta (FCS-2589) and Ms. Divya Saxena (FCS-5639), practicing Company Secretaries and Partners, M/s S.K. Gupta & Co., Kanpur as the Scrutinizer and alternate Scrutinizer for conducting the remote e-voting / ballot process, in a fair and transparent manner. Remote e-voting is optional.
- ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the fortieth e-AGM and announce the start of the casting of vote through the e-voting system of KFin.
- iii. The Scrutinizer shall within 48 hours of the conclusion of the e-voting and voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iv. The Results shall be declared within 48 hours of the conclusion of AGM. The Scrutinizer shall submit his report to the Chairman or in his absence Managing Director & CEO of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website www.cebbsco.com and on the website of KFin <https://evoting.karvy.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.
- v. The Notice of AGM is being sent to those members / beneficial owners whose names appear in the register of members / list of beneficiary received from the depositories on August 28, 2020

ANNEXURE TO THE NOTICE

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

As required under Section 102 of the Act and Regulation 36 of Listing Regulations, the following explanatory statement sets out material facts relating to business mentioned under Item Nos. 3, 4 and 5 of the accompanying Notice and should be read as forming part of the Notice.

Item No-3

This Statement is provided though strictly not required as per Section 102 of the Act.

M/s B S R &Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the 37th AGM held on September 27, 2017 to hold office until the conclusion of 42nd AGM. However, they have resigned on August 14, 2020 on the ground that 'management of the company intends to align its auditors with the auditors of its investor company and therefore they would not be continuing as statutory auditors of the Company.'

The Board of Directors on the recommendations of the Audit Committee at its meeting held on 24th August, 2017, has appointed M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013) as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. M/s. Walker Chandiook & Co LLP, Chartered Accountants have furnished a Certificate in terms of the provisions of Section 139 (1) of the Companies Act, 2013 to the effect that their appointment, if made, would be in accordance with the provisions of the Act. Pursuant to provisions of Section 139(8) of the Companies Act 2013, the appointment of Statutory Auditors in casual vacancy caused by the resignation requires approval of members at a General Meeting to be convened within three months, accordingly, the approval of members of the company is being sought for appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants in the casual vacancy caused by the resignation of M/s BSR & Co. LLP, Chartered Accountants. Further, it is proposed to appoint M/s. Walker Chandiook & Co LLP, Chartered Accountants under the provisions of Sections 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for a further term of five consecutive years to hold office from the conclusion of the Fortieth Annual General Meeting of the Company until the conclusion of the Forty Fifth Annual General Meeting of the company on a remuneration as set out in the resolution with liberty and authority to the Board to revise the same in respect of any Financial year covered under the tenure of appointment of statutory auditors. Accordingly, the proposed resolution is placed for the approval of Members which the Board recommends the resolution for approval by members.

None of the Directors, Key Managerial Personnel and their relatives of the Company are concerned or interested financially or otherwise in the resolution.

Item No-4

Mr. Ganesan Raghuram (DIN-01099026), on recommendation of Nomination and Remuneration Committee was appointed by the Board of Directors of the Company as an additional director in the capacity of Independent Director through circular resolution with effect from 19th May, 2020.

He holds office until the ensuing annual general meeting under section 161(1) of the Act.

He has submitted the Declaration of Independence, pursuant to section 149 (7) of the Act stating that he meets the criteria of independence as provided in section 149 (6) and regulation 16 of the Listing Regulations. Mr. Ganesan Raghuram is not

disqualified from being appointed as a Director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be available for inspection through electronic mode and the same shall also be available at the Company's website www.cebbco.com.

In respect of the appointment of Mr. Ganesan Raghuram, a notice in writing in the prescribed manner, as required by section 160 of the Act, has been received by the Company from a member, proposing his candidature for the office of the director.

According to section 152 of the Act, read with Schedule IV to the Act, in the opinion of the Board, the proposed appointment of Mr. Ganesan Raghuramas an independent director fulfils the conditions specified in the Act and the rules made thereunder as also the Listing Regulations and that the proposed appointment of Mr. Ganesan Raghuram is independent of the Management.

Except Mr. Ganesan Raghuram being the appointee Director, none of the Directors, Key Managerial Personnel and their relatives of the Company are concerned or interested financially or otherwise in the resolution.

Item No.5

Jupiter Wagons Limited carries on the business of manufacturing components for manufacture of railway wagons

The Company is currently manufacturing rail freight wagons for Indian Railways and other parties.

As per the requirements of Indian Railways, the manufacturing facility of certain railway wagon components has to be approved by Research Designs and Standards Organization (RDSO). For the Railway order of wagons, the Company is required to procure mainly cast steel bogie, high tensile center buffer coupler and high capacity draft gear and roll formings. At present, the Company does not have the facility and infrastructure, to manufacture these items. Jupiter Wagons Limited has requisite RDSO approval. Hence the Company is desirous of buying these components from Jupiter Wagons Limited.

The Company had also successfully procured an order for manufacture of 4 rakes of Car Carrier Wagon from a private party and for execution of the same, the Company needs cast steel bogie, high tensile center buffer coupler and high capacity draft gear to be purchased from RDSO approved supplier.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

The value of proposed aggregate transactions with Jupiter Wagons Limited is likely to exceed the said threshold limit, and is expected to be around Rs. 50.00 Crore during the financial year 2020-21.

Accordingly, transaction(s) to be entered into with Jupiter Wagons Limited comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with Jupiter Wagons Limited in the financial year 2020-21.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Jupiter Wagons are as follows:

Sl.	Particulars	Remarks
1.	Name of the Related Party	Jupiter Wagons Limited
2	Name of the Director or KMP who is related	None
3	Nature of Relationship	Promoter / Investor
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Purchase of components for manufacture of railway wagons, sale/purchase of sample products for development, and including purchase or supply of any goods or service incidental to Railway wagon business Monetary value of proposed aggregate transactions during financial year 2020-21 is expected to be Rs. 50.00 Crore
5	Any other information relevant or important for the members to take a decision on the proposed resolution	Refer to Explanatory Statement above.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item No. 5 of this Notice as an Ordinary Resolution.

As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of Directors seeking appointment / re-appointment under Item Nos. 2 and 4 of this Notice are as below:

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

Name of the Non-Executive Director – Mrs. Madhuchhanda Chatterjee		
1.	Reason for Change	Re - Appointment as Non-Executive Director
2.	Date of Appointment & term of Appointment	22.05.2019
3.	Brief Profile (In case of Appointment)	Dr. Chatterjee is the Executive Director of Anamika Kala Sangam, a premier cultural organization of Kolkata. She has been a Lecturer in English in the Department of English, Rabindra Bharati University, and has been into academics, attending seminars in India and abroad. She has a number of publications to her credit and has been the Convener of RASA, the 2-volume anthology published by Anamika Kala Sangam. She has also contributed to newspapers with book reviews and other articles. Dr. Chatterjee has worked as a Consultant in the Ministry of Culture, Govt. Of India during the 150 years Birth Celebrations of Rabindranath Tagore, steering the plans made by the Ministry. She has also been the Nodal Officer of a Digitization Project under the Indira National Centre for the Arts, Govt. of India
4.	Disclosure of relationships between Directors	Not related to any Director or Key Managerial Personnel of the Company.

5.	Names of Listed Entities already holding post of director	N.A.
6.	Membership of the Committees	N.A.
7.	Date of Birth / Age	15.08.1952 / 67 years
8.	Shareholding in the company	Nil
9.	Nature of expertise in specific functional areas	<p>CSR, Sustainability & NGO matters, Academics, Education, Authorship and administration.</p> <p>None of the directors or key managerial personnel or their relatives, except Mrs. Madhuchannda Chatterjee, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of her respective shareholding, if any, in the Company, in the resolution set out in item no. 2 of the Notice.</p> <p>The Board commends the ordinary resolution set out in item no. 2 for approval by shareholders</p>
10.	Terms and Conditions of appointment / reappointment	As per prevailing practice
11.	Remuneration last drawn	As mentioned in the Corporate Governance Report
12.	Number of Board Meetings attended during the year	As mentioned in the Corporate Governance Report

NAME OF THE INDEPENDENT DIRECTOR – MR. GANESAN RAGHURAM

1.	Reason for Appointment / Change	Appointment as Additional Director (Non-Executive Independent Director) of the company subject to approval of the shareholders
2.	Date of Appointment & term of Appointment	For a term of 5 consecutive years from 19th of May 2020 to 18th of May 2025
3.	Brief Profile (In case of Appointment)	<p>Mr. Ganesan Raghuram is an IIT Graduate (B-Tech) from Indian Institute of Technology, Madras. He has done his PGDM from Indian Institute of Management, Ahmedabad (IIM) (Gujarat) as well as PhD from North western University, Kellogg Graduate School of Management, Evanston, Illinois, USA,</p> <p>Presently Mr. Ganesan is serving as consultant in Indian Institute of Management (IIM), Bangalore and is on the Board of ADANI Port and Special Economic Zone Limited as Non-Executive Independent Director since 2012. He is also associated with many other companies, associations and committees on various positions.</p> <p>Mr. Ganesan possesses in overall more than 40 years of vast experience in Service operations managements, Rail Transport Planning and management, infrastructure and Transportation system, supply chain and logistics management, Marketing</p>

		<p>Management,</p> <p>He has been acting as Consultant for more than 66 organizations in India and abroad, both in the public and private sector. The studies are related to</p> <p>(i) infrastructure and transportation (ii) supply chain and logistics management, (iii) management education and institution building, (iv) Legal and Regulatory Issues, (v) Services Management, (vi) Government System and the Policy Process and many more</p>
4.	Disclosure of relationships between Directors	Not related to any Director or Key Managerial Personnel of the Company.
5.	Names of Listed Entities already holding post of director	Adani Port and Special Economic Zone Limited
6.	Chairman / Membership of the Committees	<p>Member of Audit Committee - Adani Port and Special Economic Zone Limited</p> <p>Chairman of NRC Committee - Adani Port and Special Economic Zone Limited</p> <p>Chairman of Stakeholder Relationship Committee - Adani Port and Special Economic Zone Limited</p>
7.	Date of Birth	20/07/1955
8.	Shareholding in the Company	Nil
9.	Nature of expertise in specific functional areas	<p>Management & Strategy, Human Resources & Industrial Relations, Law, Banking, Investment & Treasury Management, Corporate Governance & Ethics, Regulatory, Government & Security matters, CSR, Sustainability & NGO matters and such others.</p> <p>He will be eligible for payment of sitting fee and commission, as payable to other non-executive directors of the Company.</p> <p>He is not related to any key managerial personnel of the Company.</p> <p>None of the directors or key managerial personnel or their relatives, except Mr. Ganesan Raghuram, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no. 4 of the Notice.</p> <p>The Board commends the ordinary resolution set out in item no. 4 for approval by shareholders</p>
10	Terms and Conditions of appointment / re-appointment	As per prevailing practice, Non-Executive Director(s) and Independent Director(s) are entitled to sitting fees only.

By order of the Board of Directors
For Commercial Engineers & Body Builders Co. Limited

Place - Jabalpur
Date - 24 August 2020

Amit K Jain
Company Secretary

Director's Report 2019-2020

To the Members of

Commercial Engineers & Body Builders Co. Ltd

The Directors are presenting herewith the **40th Annual Report** of the Company together with the Audited Accounts for the year ended **31st March 2020**.

Financial Highlights

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from Operations	12,574.39	21,579.96
Total Sales	12,574.39	21,579.96
Other Income	329.35	75.91
Total Income	12,903.74	21,655.87
Operating Expenses	12,365.70	20,389.60
Depreciation and Amortisations	831.74	1,037.91
Finance Cost	617.17	2,214.45
Profit/(Loss) before Tax and Exceptional Items	(910.87)	(1,986.09)
Exceptional Items- (Gain)/Loss, net	(655.12)	(10,853.47)
Profit/(Loss) for the Year before Tax	(255.75)	8,867.38
Tax adjustments related to earlier years	-241.78	0.00
Profit/(Loss) for the Year	(13.97)	8,867.38
Other Comprehensive Income/(Loss)	(27.37)	(1.20)
Total Comprehensive Income/(Loss) for the year	(41.34)	8,866.18

Performance at glance

During the last financial year 2018-19, debt restructuring along with change in ownership took place. With these positive changes, the company started the activities with vigor.

The company re-registered the wagon manufacturing facility and was qualified for G-105 Registration. With this, the Company has given renewed focus to Railway Wagon business.

The total sales during the year were Rs 125.8 crores as compared to 215.8 crores for last year. The reduction is mainly attributable to significant slowdown in commercial vehicle industry affecting the tipper orders from OEMs. This was partly compensated by Railway Wagon shipment.

The Loss before tax and exceptional items for the current year is Rs 9.1 crores as compared to Rs 19.9 crores for last year, mainly attributable to lower sales in the tipper segment.

Please refer to Management Discussion and Analysis for comments on financial performance.

COVID-19 – Impact on business.

Consequent to nation-wide lock down, the Company's manufacturing facilities remained shut. As a result, major shipments for the month of March 2020, were impacted.

The Company has resumed its operations in phased a manner from 25th April 2020 with reduced strength of manpower as per directives of the respective state governments or central government guidelines, as applicable.

To effectively respond to and manage our operations through this crisis, the Company has taken adequate measures in terms of use of safety masks and entry level scanning. The new 'work-from-home' model is implemented mainly for employees working at administrative offices.

Future Outlook

Due to lock down, the GDP growth for the current year is estimated to come down significantly, affecting the demand.

The commercial vehicle OEMs are facing severe challenges due to slowdown and change to new emission norms applicable from current fiscal.

For Railway wagon business, the company will continue to manufacture current orders in hand; 500 wagons from Indian Railway and 113 wagons from private operators.

Since there is no complete visibility on Covid situation, it is difficult to estimate the impact on future business. The Company would closely monitor such developments in future economic conditions and consider their impact on financial statement of the relevant periods.

Change in the Nature of Business, If any

The Company has not undergone any change in the nature of the business during the Financial Year.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report

Dividends

In view of the losses incurred before the exceptional item no dividend has been declared for the FY 2019-2020

Changes in Share Capital

During the year, the Company had forfeited 0.00001% Non-Convertible Cumulative Redeemable Preference Shares due to nonpayment of unpaid calls. These preference shares were issued to erstwhile promoters in the year 2014-15 amounting to Rs. 2,000 Lakhs of which only Rs. 1, 300 Lakhs was paid up. Out of the paid-up amount, Rs. 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 had recognized a gain of Rs. 655.12 Lakhs as 'Exceptional Item' in the financial results of the previous period.

Directors and KMP

The Board of Directors comprises

Sr. No.	Particulars	Designation
1.	Mr. Prakash Y Gurav	Independent Director
2.	Mr. M Venkat Rajarao	Independent Director
3.	Ms. Vineeta Shriwani	Independent Director
4.	Mr. Abhishek Jaiswal	Whole time Director & C.E.O.
5.	Mr. Asim Ranjan Das Gupta	Non-Executive Director (w.e.f. 22 January 2019) Tendered resignation on 22.05.2019
6.	Mrs. Madhuchhanda Chatterjee	Non-Executive Non-Independent Director (w.e.f. 22.05.2019)
7.	Mr. Ganesan Raghuram	Non-Executive Independent Director (w.e.f. 19.05.2020)

During the year following changes have taken place in Board of Directors due to resignation/cessation:

Mr. Asim Ranjan Das Gupta was appointed as Non-Executive Director on the Board of Directors of the Company in accordance with Section 152, 161 of the Act, with effect from January 22, 2019

Mr. Asim Ranjan Das Gupta tendered his resignation vide letter Dated May 22, 2019 from the Board of CEBBCO due to personal reasons.

Dr. Mrs. Madhuchhanda Chatterjee was appointed as Non- Executive Non- Independent Director on the Board with effect from May 22, 2019.

Dr. Chatterjee is acting as Executive Director of Anamika Kala Sangam, a premier cultural organization of Kolkata. She has been a Lecturer in English in the Department of English, Rabindra Bharati University, and has been into academics, Dr. Chatterjee has worked as a Consultant in the Ministry of Culture, Govt. Of India during the 150 years Birth Celebrations of Rabindranath Tagore, steering the plans made by the Ministry. She has also been the Nodal Officer of a Digitization Project under the Indira National Centre for the Arts, Govt. of India.

In accordance with the provisions of the Act and other applicable provisions, Mrs. Madhuchhanda Chatterjee, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Mr. Ganesan Raghuram inducted as an Additional Independent Director on the Board of CEBBCO w.e.f. 19.05.2020 pursuant the provision as contained in the LODR that company within the first 2000 listed entity based on the market capitalization must have at least 6 (Six) Directors on the Board, based on the recommendation of the NRC Committee Mr. Ganesan Raghuram was inducted as the member of the Board as an additional director subject to approval of the Shareholders in the ensuing General Meeting to be held in the month of September 2020. Brief profile of Mr. Ganesan Raghuram forms the part of the Notice of the Annual General Meeting.

Declaration by Independent directors

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

The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations, 2015.

The Ministry of Corporate Affairs vide its circular dated 22 October 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, within 1 May 2020, to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any Company. The independent directors were also required to submit a declaration of compliance in this regard. All the independent directors of the Company have submitted the declaration with respect to the same.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Mr. Abhishek Jaiswal, Whole time Director and Chief Executive Officer, Mr. Sanjiv Keshri, Chief Financial Officer (w.e.f. 10.08.2019) and Mr. Amit K Jain, Company Secretary.

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

Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the evaluation was done on the basis of criteria to cover underlying objective for evaluation.

The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

Managerial Remuneration

In compliance with the requirements of Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the remuneration details of Directors and employees is annexed as **Annexure IV**.

Meetings of the Board of Directors

During the FY 2019-20, four meetings of the Board of Directors were held. For details of meetings of the Board, please refer to the Corporate Governance Report, forming part of this report.

Board Committees

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereof of these Committees during the year has been enumerated in Corporate Governance report.

Audit Committee Recommendations

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

Directors Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit or loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Internal Financial Control Systems and their Adequacy

The Company has maintained adequate internal financial controls over financial reporting. These includes policies and procedures – (a) pertaining to the maintenance of records that are reasonably detailed, accurately and fairly reflects the transactions and dispositions of the assets of the Company, (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company, and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of March 31, 2020

Details in respect of frauds reported by auditors under sub section (12) of section 143 other than those which reportable to the Central Government

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed there under.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

Details of Subsidiary, Joint Venture or Associates

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

Deposits

The Company has not accepted any public deposits during the Financial Year ended March 31, 2020 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Details of deposits not in compliance with the requirements of the Act

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2020, there has been no non-compliance with the requirements of the Act.

Extract of the Annual Return

The extract of Annual Return, in Form MGT -9 for the Financial Year 2019-20 has been enclosed with this report as **Annexure III**.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements set out by SEBI. As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

Particulars of Loans given, Investments made, guarantees given

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

Contracts and Arrangements with Related Parties

No related party transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no 'material' related party transactions as defined under regulation 23 of Listing Regulations, 2015, there are no details to be disclosed in Form AOC-2 in that regard.

During the year 2019-20, pursuant to section 177 of the Companies Act, 2013 and regulation 23 of Listing Regulations, 2015, all RPTs were placed before the Audit Committee for its approval.

Members are requested to refer to note no. 43 forming part of the Audited Financial Statements which sets out related party disclosures.

A detailed disclosure of these transactions with the Related Parties is annexed with this Report in Form AOC-2 as **Annexure V**

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

The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All the Related Party Transactions entered in the Ordinary Course of Business and at Arm's Length were reviewed and approved by the Audit Committee. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act and Listing Regulations.

Significant and Material orders passed by the Regulators and Courts

No significant and material order has been passed by theregulators, courts, tribunals impacting the Company's operations in future.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out Go in terms of section 134 (3)(m) of the act read with rule 8 of the Companies (Accounts) Rules,2014 forming part of the Director report for the year ended March 31st, 2020.

Conservation of Energy:

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

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

Technology Absorption

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

Foreign exchange outgo and earning

During the year under the review, the Company had Foreign Exchange Earnings **Nil** and Foreign Exchange Outgo **Nil**.

Risk Management

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the listing of Debt Regulation, a Risk Management committee is compulsorily to be constituted by Top 500 Listed entities. As your company comes under first 2000 listed entities mark, hence there is no statutory requirements of constituting a Risk Management Committee. Please refer Corporate Governance Report.

(Refer Management Discussion and Analysis for potential risk and measures taken by the company to overcome risk)

Corporate Social Responsibility (CSR)

Due to paucity of profits, the Company has not been able to undertake any CSR activity during the year.

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

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

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

Human Resources

The company continued its focus on attracting new talents while investing in development to help employees acquire new skills, explore new roles and realize their potential.

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of manager. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

CEB3CO believes in the potential of people to go beyond and be the game-changing force for business transformation and success. This potential is harnessed by fostering an open and inclusive work culture that enables breakthrough performance and comprehensive development of employees through the three pillars of Leading Self, Leading Teams and Leading Business.

AUDITORS REPORT

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2020 have been disclosed as per Schedule III of the Companies Act, 2013.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.

Statutory Auditors

M/s B S R & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the 37th Annual General meeting (AGM) held on September 27, 2017 to hold office up to 42nd AGM. The Company wanted to align its Auditors with the Auditors of Investor Company, which was discussed with M/S BSR & Co. LLP. Accordingly, they tendered resignation on August 14, 2020 as statutory auditors of the Company with effect from the conclusion of the board meeting wherein the results for the limited review for quarter ended 30 June 2020, would be approved.

The resignation was considered by the Audit Committee and Board of Directors on August 14, 2020 and the resignation was accepted.

The Audit Committee and Board of Directors in their meetings held on August 24, 2020, approved the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013) as Statutory Auditors of your Company to fill the casual vacancy caused by the said resignation. The appointment will be effective till the conclusion of the forty fifth Annual General Meeting of the company.

Their appointment will be subject to approval by the shareholders in the ensuing (AGM). Please refer to the notice of AGM proposing shareholders' approval of appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013) as Statutory Auditors of your Company.

The Auditors' Report for the financial year ended 31st March, 2020, does not contain any qualification, reservation or adverse remark. The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not require any further comments and explanations.

Secretarial Audit

The Board has appointed Mr. S.K. Gupta, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **ANNEXURE II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is self-explanatory and do not call for any further clarification.

In addition to the above and pursuant to SEBI circular dated 8 February 2019, a report on secretarial compliance by Mr. S. K, Gupta for the year ended 31 March 2020 is being submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

Secretarial Standards

Pursuant to the approval given on 10 April 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. The said standards were further amended w.e.f. 1 October 2017. The Company is in compliance with the same. The Company complies with the applicable Secretarial Standards issued by the 'Institute of Company Secretaries of India'.

DISCLOSURES:**CSR Committee**

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

Audit Committee

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

Vigil Mechanism

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

Employee

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

Prevention of Sexual Harassment at Workplace under Sexual Harassment of Women & Workplace (Prevention, prohibition & redressal) Act, 2013

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

Awards & Recognition

We are proud to inform you all that in the month of April 2019 the Company was in conferred award by the Volvo Eicher Commercial vehicle (VECV Ltd.) for Best Performer in Applications Category.

Acknowledgements

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

For on behalf of the Board

COMMERCIAL ENGINEERS & BODY BUILDERS CO. LTD.

Place : Jabalpur

Date : 24 August 2020

P.Y. Gurav

Director

(DIN: 02004317)

Abhishek Jaiswal

Whole Time Director & C.E.O.

(DIN: 07936627)

ANNEXURE I TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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

2. Composition of CSR committee

The committee consists of following directors:

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

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

Loss Rs 3020.97 Lakhs.

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

Not applicable in view of the loss.

5. Details of CSR spend for the financial year :

- a) Total amount spent for the financial year: **Nil**
- b) Amount unspent if any: **Nil**
- c) Manner in which the amount spent during the financial year: Not applicable

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

Not applicable.

ANNEXURE II TO DIRECTOR'S REPORT SECRETARIAL AUDIT REPORT

S. K. Gupta & Co.
Company Secretaries

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2020

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

To,
The Members,
Commercial Engineers & Body Builders Co Limited,
48, Vandana Vihar, Narmada Road,
JABALPUR- 482001 (M.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Commercial Engineers & Body Builders Co Limited** (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives electronically (since inspection of physical records was not possible due to ongoing COVID-19 pandemic) during the conduct of our audit and the information available in public domain through the disclosures made by the Company from time to time with the Regulators, We hereby report that in our opinion, the Company has during the Financial year ended on 31st March, 2020 ('Audit Period') complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, form sand returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[Not applicable as there was no reportable event during the Audit Period];**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not applicable as the Company has not framed any such Scheme during the Audit Period];**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable as the Company has not issued and listed any debt securities during the Audit Period];**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the Audit period];**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as there was no reportable event during the Audit Period];** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not applicable as there was no reportable event during the period under review];** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and the General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance except in case of shorter notice for which necessary approval was obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of Audit and review of Internal Auditor's Report, periodical Compliance Reports submitted by respective Departmental

heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion there are systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. *However, there have been some delays in depositing statutory dues including Provident Fund, Employees' State Insurance, Income-Tax etc. with the appropriate Authorities.* As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the Audit Period there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.:-

- (a) The Company has altered the situation clause of its Memorandum of Association for shifting of its Registered office from the State of Uttar Pradesh to the State of Madhya Pradesh which was approved by the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi vide Order dated 18th June, 2019 passed under Section 13(4) of the Companies Act, 2013.
- (b) The Board at its Meeting held on 22nd May, 2019 forfeited 20,00,000, 0.00001%, Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each which were allotted to erstwhile Promoters, Shri Kailash Gupta jointly with Smt. Rekha Gupta on which an amount of Rs. 1,300 Lakhs was paid-up due to non-payment of balance amount due on calls.
- (c) Pursuant to the Resolution Plan Dt. 26th November, 2018 approved by the lenders, the change in ownership and control of the Company was effected in favour of new promoters from the outgoing promoters. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on being approached, have granted their final approval under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 for re-classification of outgoing Promoters in to Public category.
- (d) Due to outbreak of COVID-19, the operations of the Company were impacted in the month of March, 2020 following nationwide lock down announced by the Government of India.

For **S. K. Gupta & Co.**
Company Secretaries

(S.K.GUPTA)
Managing Partner
F.C.S -2589
CP-1920
UDIN: F002589B000597843

Place: Kanpur
Date: 20th August, 2020

Note: This Report to be read with our letter of even date which is marked as **Annexure** and forms an integral part of this Report.

S. K. Gupta & Co.
Company Secretaries

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Commercial Engineers & Body Builders Co Limited
[CIN: L24231MP1979PLC049375]
48, Vandana Vihar, Narmada Road,
JABALPUR – 482001 (M.P.)

Our Secretarial Audit Report for the Financial year 31st March, 2020 is to be read along with this letter

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to Secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. K.Gupta & Co.**
Company Secretaries

(S. K.GUPTA)
Managing Partner
F.C.S -2589
C P-1920
UDIN: F002589B000597843

Place:Kanpur
Date: 20th August, 2020

ANNEXURE III TO DIRECTOR'S REPORT

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

I. REGISTRATION & OTHER DETAILS

i	CIN	L24231MP1979PLC049375
ii	Registration Date	28-Sep-79
iii	Name of the Company	Commercial Engineers & Body Builders Co. Ltd
iv	Category of the Company	Public Limited
v	Address of the Registered office & contact details	
	Address :	48, Vandana Vihar, Narmada Road, Gorakhpur
	Town / City :	Jabalpur
	State :	Madhya Pradesh
	Country Name :	India
	Telephone (with STD Code) :	91761
	Fax Number :	2661336
	Email Address :	cs@cebbco.com
vi	Whether listed company	Yes
	Name and Address of Registrar & Transfer Agents (RTA):-	
vii	Name of RTA:	Kfin technologies Private Limited
	Address :	Karvy Selenium Tower B, Plot number 31 & 32, Nanakramguda, Serilingampally Mandal
	Town / City :	Hyderabad
	State :	Andhra Pradesh
	Pin Code:	500032
	Telephone :	040-67161564
	Fax Number :	040-67161564
	Email Address :	shyam.kumar@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Load Bodies for automotive vehicles		79%
2	Wagon manufacturing		15%
3	Heavy Fabrication		6%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	0
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S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	N A		N A	N A	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoter s								
(1) Indian								
a) Individual/ HUF	5887044	0	5887044	6.58%	5829014	0	5829014	6.51%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%
d) Bodies Corp.	41638339	0	41638339	46.53%	41638339	0	41638339	46.53%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%
f) Any other (Promoter Trust)	0	0	0	0.00%	0	0	0	0.00%
(2) Foreign								
a) NRI - Individual/	0	0	0	0.00%	0	0	0	0.00%
b) Other - Individual/	0	0	0	0.00%	0	0	0	0.00%
c) Bodies Corp.	6800518	0	6800518	7.60%	6800518	0	6800518	7.60%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%
Total shareholding of Promoter (A)	54325901	0	54325901	60.71%	54267871	0	54267871	60.65%
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%
b) Banks / FI	8349158	0	8349158	9.33%	8349158	0	8349158	9.33%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%

h) Foreign Venture	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
i) Others (NBFC)	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
Sub-total (B)(1):-	8349158	0	8349158	0	8349158	0	8349158	0	8349158	0	8349158	9.33%	9.33%	0.00%
2. Non-Institutions														
a) Bodies Corp.														
i) Indian	4772874	0	4772874	0	4772874	0	3258558	0	3258558	0	3258558	5.33%	3.64%	-1.69%
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
b) Individuals														
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7749751	403	7750154	403	7740477	403	7740477	403	7740880	403	7740880	8.66%	8.65%	-0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8433803	0	8433803	0	10254222	0	10254222	0	10254222	0	10254222	9.43%	11.46%	2.03%
c) Others (specify)														
Clearing Members	19931	0	19931	0	94029	0	94029	0	94029	0	94029	0.02%	0.11%	0.08%
Non Resident Indians	237725	0	237725	0	178803	0	178803	0	178803	0	178803	0.27%	0.20%	-0.07%
NBFC Registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
Trust	5592461		5592461		5339136		5339136		5339136		5339136	6.25%	5.97%	-0.28%
Sub-total (B)(2):-	26806545	403	26806948	403	26865225	403	26865225	403	26865628	403	26865628	23.71%	30.02%	0.35%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	35155703	403	35156106	403	35214383	403	35214383	403	35214786	403	35214786	39.29%	39.35%	0.35%
C. Shares held by Custodian for GDRs & ADRs														
Total (C)	0	0	0	0	0	0	0	0	0	0	0	0.00%	0%	0.00%
Grand Total (A+B+C)	89481604	403	89482007	403	8948254	403	8948254	403	89482657	403	89482657	100.00%	100%	0.28%

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kailash Gupta*	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
2	Rekha Gupta*	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
3	Nandini Malpani*	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
4	Nandini Malpani*	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
5	Nandini Malpani*	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
6	Shalini Gupta #	58030	0.06%	0.00%	0	0.00%	0.00%	0.00%
7	Commercial Automobiles Pvt Ltd.*	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
8	Murari Lal Lohia	1295336	1.45%	0.00%	1295336	1.45%	1.45%	2.90%
9	Murari Lal Lohia HUF	4533678	5.07%	0.00%	4533678	5.07%	5.07%	10.13%
10	Jupiter Wagons Limited	40666835	45.45%	0.00%	40666835	45.45%	45.45%	90.89%
11	Jupiter Forgings & Steel Pvt. Ltd	971504	1.09%	0.00%	971504	1.09%	1.09%	2.17%
12	TATRAVAGONKA A.S.	6800518	7.60%	0.00%	6800518	7.60%	7.60%	15.20%
	TOTAL	54325901	60.71%	0.00%	54267871	60.65%	60.65%	0.06%

Note * - Mr. Kailash Gupta, Mrs. Rekha Gupta, Mrs. Nandini Malpani, Commercial Automobiles Pvt. Ltd has been reclassified from promoter to public category vide approval letter dated 17.10.2019

Note # - Mrs. Shalini Gupta has been reclassified from promoter to public category vide approval letter dated - 28.01.2020, her shareholding is reflecting in the public shareholding category

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

Sl. No. I - Kailash Gupta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.00%	0	0.00%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0	0	0.00%
Decrease				
Date	Reason for Decrease			
NIL	NIL	0	0	0.00%
At the End of the year		0	0	0.00%

Sl. No. II - Rekha Gupta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.00%	0	0.00%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0	0	0.00%
Decrease				
Date	Reason for Decrease			
NIL	NIL	0	0	0.00%
At the End of the year		0	0	0.00%
Sl. No. III - Nandini Malpani	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0.00%	0	0.00%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0	0	0.00%
Decrease				
Date	Reason for Decrease			
NIL	NIL			
At the End of the year		0	0	0.00%
Sl. No. IV - Shalini Gupta	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	58030	0.06%	0	0.00%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0	0	0.00%
At the End of the year	58030	0.06%	0	0.00%

Sl. No. V - Commercial Automobiles Pvt. Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.00%	0	0.00%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0.00%	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0.00%	0	0.00%
At the End of the year	0	0.00%	0	0.00%
Sl. No. VI - Murari Lal Lohia	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1295336	1.45%	1295336	1.45%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0.00%	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0.00%	0	0.00%
At the End of the year	1295336	1.45%	1295336	1.45%
Sl. No. VII - Murari Lal Lohia HUF	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	4533678	5.07%	4533678	5.07%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0.00%	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0.00%	0	0.00%
At the End of the year	4533678	5.07%	4533678	5.07%

Sl. No. VIII - Jupiter Wagons Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	40666835	45.45%	40666835	45.45%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase	0	0	0
NIL	NIL	0.00%	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	NIL	0.00%	0	0.00%
At the End of the year	40666835	45.45%	40666835	45.45%

Sl. No. IX - Jupiter Forgings & Steel Pvt. Ltd	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	971504	1.09%	971504	1.09%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase			
NIL	NIL	0.00%	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0.00%	0	0.00%
At the End of the year	971504	1.09%	971504	1.09%

Sl. No. X - Tatavagonka A.S.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	6800518	7.60%	6800518	7.60%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase			
NIL	NIL	0.00%	0	0.00%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0.00%	0	0.00%
At the End of the year	6800518	7.60%	6800518	7.60%

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

Sl. No. 1 - Axis Bank Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
At the beginning of the year	8349158	9.33%	8349158	9.33%	
Changes During the Year	0	0.00%	0	0.00%	
Increase					
Date	Reason for Increase	0	0	0	
NIL	NIL	0.00%	0	0.00%	
Decrease					
Date	Reason for Decrease				
Nil	Nil	0.00%	0	0.00%	
At the End of the year	8349158	9.33%	8349158	9.33%	
Sl. No. 2 - Tata Capital Growth Fund I					
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		5592461	6.25%	5592461	6.25%
Changes During the Year					
Increase					
Date	Reason for Increase		0	0	0
26.04.2019	Purchase of Shares	126634	0.14%	5519095	6.17%
31.05.2019	Purchase of Shares	200000	0.22%	5519095	6.17%
28.06.2019	Purchase of Shares	220041	0.25%	5339136	5.97%
Decrease					
Date	Reason for Decrease				
05.04.2019	Sale of Shares	200000	0.22%	5392461	6.03%
03.05.2019	Sale of Shares	200000	0.22%	5319095	5.94%
07.06.2019	Sale of Shares	400000	0.45%	5119095	5.72%
At the End of the year		5339136	5.97%	5339136	5.97%
Sl. No. 3 - Tata Capital Financial Services Limited					
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		2185192	2.44%	2185192	2.44%
Changes During the Year		0	0.00%	0	0.00%
Increase					
Date	Reason for Increase		0	0	0
NIL	NIL	0.00%	0	0.00%	0.00%
Decrease					
Date	Reason for Decrease				
Nil	Nil	0.00%	0	0.00%	0.00%
At the End of the year		2185192	2.44%	2185192	2.44%

SI. No. 4 - Anju Mishra	Shareholding at the beginning of the year		Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	90000	0.10%	90000	0.10%
Changes During the Year				
Increase				
Date	Reason for Increase			
10.05.2019	Purchase of Shares	54556	144556	0.16%
05.07.2019	Purchase of Shares	14857	159413	0.18%
12.07.2019	Purchase of Shares	1200	160613	0.18%
26.07.2019	Purchase of Shares	4591	165204	0.18%
23.08.2019	Purchase of Shares	796	166000	0.19%
15.11.2019	Purchase of Shares	26300	192300	0.21%
17.01.2020	Purchase of Shares	35414	227714	0.25%
24.01.2020	Purchase of Shares	78519	306233	0.34%
31.01.2020	Purchase of Shares	59086	365319	0.41%
07.02.2020	Purchase of Shares	7681	373000	0.42%
27.03.2020	Purchase of Shares	25000	398000	0.44%
Decrease				
Date	Reason for Decrease			
31.03.2020	Sale of Shares	1047	396953	0.44%
At the End of the year		396953	396953	0.44%
SI. No. 5 - Mahendra Shah	Shareholding at the beginning of the year		Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	372604	0.42%	372604	0.42%
Changes During the Year				
Increase				
Date	Reason for Increase			
23.08.2019	Purchase of Shares	500	373104	0.42%
22.11.2019	Purchase of Shares	5000	378104	0.42%
20.03.2020	Purchase of Shares	5000	383104	0.43%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0	0	0.00%
At the End of the year		383104	383104	0.43%
SI. No. 6 - Kamal Kishore Baheti	Shareholding at the beginning of the year		Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.00%	0	0.00%
Changes During the Year				
Increase				
Date	Reason for Increase			
31.01.2020	Purchase of Shares	300000	300000	0.34%
Decrease				
Date	Reason for Decrease			
Nil	Nil	0	0	0.00%
At the End of the year		300000	300000	0.34%

Sl. No. 9 - Geeta Shenava	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	237611	0.27%	237611	0.27%
Changes During the Year				
Increase				
Date	Reason for Increase			
NIL	NIL	0	0	0.00%
Decrease				
Date	Reason for Decrease			
NIL	NIL	0	0	0.00%
At the End of the year	237611	0.27%	237611	0.27%
Sl. No. 10 - Sanjeev Mishra (HUF)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	208982	0.23%	208982	0.23%
Changes During the Year				
Increase				
Date	Reason for Increase			
28/06/2019	Purchase of Shares	2000	210982	0.24%
05/07/2019	Purchase of Shares	28401	239383	0.27%
12/07/2019	Purchase of Shares	3200	242583	0.27%
23/08/2019	Purchase of Shares	417	243000	0.27%
01/11/2019	Purchase of Shares	33240	276240	0.31%
08/11/2019	Purchase of Shares	6761	283001	0.32%
15/11/2019	Purchase of Shares	22000	305001	0.34%
22/11/2019	Purchase of Shares	500	305501	0.34%
31/12/2019	Purchase of Shares	199	305700	0.34%
17/01/2020	Purchase of Shares	67499	373199	0.42%
24/01/2020	Purchase of Shares	2000	375199	0.42%
28/02/2020	Purchase of Shares	118741	493940	0.55%
06/03/2020	Purchase of Shares	46855	540795	0.60%
13/03/2020	Purchase of Shares	8955	549750	0.61%
Decrease				
Date	Reason for Decrease			
NIL	NIL	0	0	0.00%
At the End of the year	549750	0.61%	549750	0.61%

v. Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
S.No.: 1 - 1. Mr. P Y Gurav (Nil), 2. Mr. M V Raja Rao (Nil), 3. Ms. Vineeta Shrivani (Nil), 4. Mr. Abhishek Jaiswal (Nil), 5. Mr. Asim Ranjan Das Gupta (Nil), 6. Mrs. Madhuchanda Chatterjee (Nil), 7. Mr. Amit K Jain (Nil), 8. Mr. Sanjiv Keshri (1000 Shares)				
At the beginning of the year	0	0.00%	0	0.00%
Changes During the Year	0	0.00%	0	0.00%
Increase				
Date	Reason for Increase			
31 May 2019	Purchase of Shares	1000	1000	0.00%
Decrease				
Date	Reason for Decrease			
NIL	NIL	0	0	0.00%
At the End of the year		1000	1000	0.00%

VI. INDEBTEDNESS

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

	(Rs. in Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2353.23	462.55	0.00	2815.78
ii) Interest due but not paid	26.63	124.97	0.00	151.61
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	2379.86	587.52	0.00	2967.38
Change in Indebtedness during the financial year				
* Addition	8157.72	485.34	0.00	8643.06
* Reduction	7111.78	587.52	0.00	7699.30
Net Change	1045.94	-102.18	0.00	943.76
Indebtedness at the end of the financial year				
i) Principal Amount	3404.93	485.34	0.00	3890.27
ii) Interest due but not paid	20.87	0.00	0.00	20.87
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	3425.80	485.34	0.00	3911.14

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs.

Sl. no.	Particulars of Remuneration	ABHISHEK JAISWAL (Whole Time Director & C.E.O)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3563535.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- others, specify	
5	Others, please specify (Incentive)	
	Total (A)	184331.00
	Ceiling as per the Act	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Vineeta Shriwani	Madhuchandha Chatterjee	Venkat Manchi R Rao	P Y Gurav
1	Independent Directors				
	Fee for attending board committee meetings	160,000.00	-	225,000.00	225,000.00
	Commission				
	Others, please specify	12,738.00	-	19,337.00	-
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify (Reimbursement of expenses)				
	Total (2)	-	-	-	-
	Total (B) = (1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

Rs.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary	(9 Months)		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,485,507.00	2,303,680.00	4,789,187.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify (Incentive)	-	359,422.00	359,422.00
	Total	2,485,507.00	2,663,102.00	5,148,609.00

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

STATEMENT OF DISCLOSURE OF REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF YOUR COMPANY FOR THE FINANCIAL YEAR 2019-20 IS AS FOLLOWS :

Name of Director	Ratio of the Remuneration of Director to median remuneration
Abhishek Jaiswal	18.03
Prakash Yashwant Gurav	1.23
Vankatraja manchi raja rao	1.23
Asim Ranjan Das Gupta	@
Vineeta Shriwani	0.87
Madhuchhandha Chatterjee	@

@ Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable

- B. DETAILS OF PERCENTAGE INCREASE IN THE REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2019-20 ARE AS FOLLOWS:

Name	% increase in remuneration in the Financial Year
Abhishek Jaiswal	15 %
Sanjiv Keshri	N.A.
Amit K Jain	10 %
Prakash Yashwant Gurav	N.A.
Venkatraja Manchi Raja Rao	N.A.
Vineeta Shriwani	N.A.
Madhuchhanda Chatterjee	N.A.

- C. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2019-20: 12.32%
- D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2020: 179
- E. AVERAGE PERCENTILE INCREASE ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION:

The average percentile increases in the salaries of employees other than the managerial personnel in the last Financial Year is 12.32%. The average percentile increase in the salaries of managerial personnel is 12.5%.

- F. IT IS HEREBY AFFIRMED THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	During the Year Company has not entered into any Material Contract / arrangement / transaction with the Related Parties hence Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

Members are requested to refer to note no. 43 forming part of the Audited Financial Statements which sets out related party disclosures

For and on behalf of Board of Directors

Date - 24.08.2020

Place - Jabalpur (M.P.)

Abhishek Jaiswal

Whole Time Director & C.E.O.

(DIN: 07936627)

REPORT ON CORPORATE GOVERNANCE

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

Adherence to Corporate Governance stems not only from the letter of law but also from the Company's inherent belief in doing compliance the right way. Over the years, the Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. These have helped the Company to enhance its stakeholder values. The Company has been demonstrating the highest Corporate Governance principles since inception and is striving to improve them continually by setting its standard in line with the best Corporate Governance practices in the world. It is, therefore, not merely about following regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders. Corporate Governance is about commitment to values, ethical business conduct and transparency thus ensuring honest and professional business practices.

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices embodied in the regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The Company's Corporate Governance philosophy is based on maintaining transparency and a high degree of disclosure levels. This philosophy of the Company has been further strengthened with the adoption of the Code of Conduct for Board of Directors and Senior Management of the Company, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

2. Board of Directors

A. Composition and Category of Directors, attendance of Directors at Board Meetings and Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson

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

The Board met 04 times during the year 2019-2020 i.e. on 22nd May, 2019, 10th August, 2019, 12th November, 2019 and 11th February 2020.

Apart from the four quarterly Board Meetings held for consideration and approval of financial results, the Board of the Company additionally meets to discuss and deliberate on the long-term strategies of the Company. The necessary quorum was present for all the meetings

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting ("AGM") and the number of Directorships and Committee Chairmanships/ Memberships held by them in other public limited companies as on 31st March, 2020, are given below:

Name of the Director (DIN) and Category	No. of Meetings in the tenure	Number of Board Meetings attended during the year	Whether attended last AGM held on 28th September, 2019	Directorship held in other companies including private companies	Number of Committee positions held in other public companies		Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)
					Chairperson	Member		
Mr. Prakash Yashwant Gurav DIN-02004317 (Non-Executive Independent Director)	4	4	No	4	3	2	NIL	Kolte-Patil Developers Limited Tide Water Oil Co India Limited
Mr. Manchi Venkat Rajarao DIN- 00110363 (Non-Executive Independent Director)	4	4	Yes	NIL	NIL	NIL	NIL	NIL
Mr. Abhishek Jaiswal DIN- 07936627 (Whole Time Director & C.E.O)	4	4	Yes	NIL	NIL	NIL	NIL	NIL
Ms. Vineeta Shriwani DIN- 08095170 (Non-Executive Independent Director)	4	3	Yes	NIL	NIL	NIL	NIL	NIL
Mr. Asim Ranjan Das Gupta DIN- 02284092 (Non-Executive, Non-Independent Director)	4	Nil (Please refer Note)	N/A	3	NIL	NIL	NIL	NIL
Mrs. Madhuchhanda Chatterjee, DIN- 02570507 Non-Executive Non Independent Director	4	1	No	1	NIL	NIL	NIL	NIL
Mr. Ganesan Raghuram DIN- 01099026 (Non-Executive Independent Director)	4	Nil (Please refer Note)	N/A	2	1	2	NIL	Adani Port and Special Economic Zone Limited

Note –

1. **Mr. Asim Ranjan Das gupta was appointed by the Board as Non-Executive Director on 22.01.2019 and thereafter his appointment was confirmed by the shareholders in the EGM held on 9th of March 2019, he resigned from directorship on 22.05.2019 due to personal reasons.**

2. **Mrs. Madhuchhanda Chatterjee was appointed as an Additional Non-Executive, Non-Independent Director of the company w.e.f. 22.05.2019, her appointment was confirmed in the Annual General Meeting held on 28th Day of September, 2019 for the Financial Year 2018-19.**
3. **Mr. Ganesan Raghuram was appointed as an Additional Non-Executive, Independent Director of the company w.e.f. 19.05.2020, his appointment is to be confirmed in the ensuing Annual General Meeting of the company for the Financial Year 2019-2020.**

a) Disclosure of Directors Relationship Inter-se

None of the directors have any relationship inter se.

b) Code of Conduct and Code of Ethics

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company's website. The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2018-19 and forms part of the Annual Report.

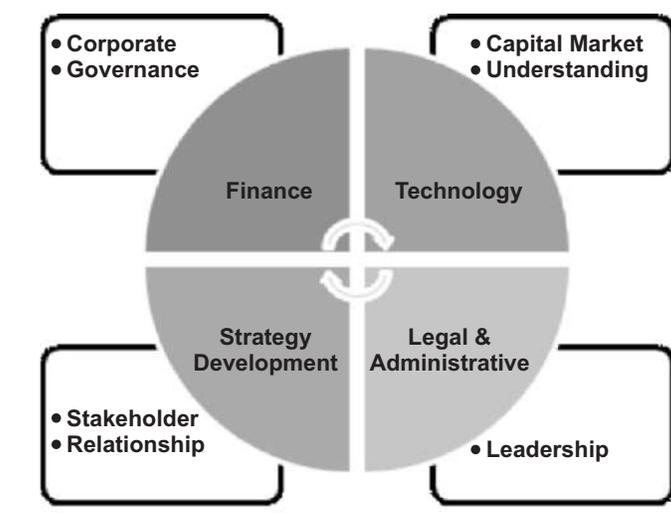
The Code of Ethics is aimed at maintaining the professional and ethical standards in the functioning of the Company.

c) Web Link of Familiarization Programme imparted to Independent Directors is disclosed:

Following is the desired [link: http://www.cebbco.com/docs/profile_for_investors.html](http://www.cebbco.com/docs/profile_for_investors.html)

d) Chart/Matrix relating to skills /expertise /competence of the Board of Directors

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board.



Sr. No.	Name of the Director	Designation	Core skills/Expertise/Competencies of directors
1.	Mr. Prakash Yashwant Gurav	Independent Director	Management & Strategy, Operations, Human Resources & Industrial Relations, Finance & Taxation, Corporate Governance & Ethics, Economics & Statistics, CSR and such other areas.
2.	Mr. Manchi Venkat Raja Rao	Independent Director	Management & Strategy, Operations & Engineering, Manufacturing, Automobile Engineering & Project Management and such other areas
3.	Mr. Abhishek Jaiswal	Whole Time Director & C.E.O.	Management & Strategy, Operations & Engineering, Manufacturing, Automobile Engineering & Project Management and such other areas..
4.	Ms. Vineeta Shriwani	Independent Director	Audit & Risk Management, Corporate Governance & Ethics, Economics & Statistics, Regulatory, Government & Security matters and Academics, Education, Authorship, Corporate Compliance
5.	Mrs. Madhu Chhandha Chatterjee	Non-Executive Director	CSR, Sustainability & NGO matters, Academics, Education, Authorship and administration.
6.	Mr. Ganesan Raguram	Independent Director	Management & Strategy, Human Resources & Industrial Relations, Law, Banking, Investment & Treasury Management, Corporate Governance & Ethics, Regulatory, Government & Security matters, CSR, Sustainability & NGO matters and such others.

e) Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations

3. Audit Committee

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

- ✿ Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- ✿ Examination of the financial statements and the auditors' report thereon;
- ✿ Approval or any subsequent modification of transactions of the company with related parties;
- ✿ Scrutiny of inter-corporate loans and investments;
- ✿ Valuation of undertakings or assets of the company, wherever necessary;
- ✿ Evaluation of internal financial controls and risk management systems;
- ✿ Monitoring the end use of funds raised through public offers and related matters.

- * Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- * Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- * Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- * Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
- * Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- * Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- * Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- * Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- * Discussion with internal auditors of any significant findings and follow up there on;
- * Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- * Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- * To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- * To review the functioning of the Whistle Blower mechanism;
- * Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- * Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- ❁ The Audit Committee shall mandatorily review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- ❁ Reviewing the utilization of loans and / or advances from / investment by the Holding Company in the Subsidiary exceeding rupees 100 crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; Modified opinion in the draft audit report
- ❁ Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

a. Composition, name of members and chairperson.

The composition of the Audit Committee is as under

Sr. No	Name of the Director	Chairperson / Member	Category
i.	Mr. Prakash Yashwant Gurav	Chairperson	Non-Executive Independent Director
ii	Mr. Manchi Venkat Raja Rao	Member	Non-Executive Independent Director
iii	Mr. Abhishek Jaiswal	Member	Whole Time Director & C.E.O.
iv	Ms. Vineeta Shriwani	Member	Non-Executive Independent Director

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

b. Audit Committee Meetings were held on 22ndMay 2019, 10thAugust 2019, 12thNovember 2019, and 11thFebruary 2020. The attendances of the members are as follows: -

Sr. No	Date of Audit Committee Meeting	Mr. Prakash Yashwant Gurav	Ms. Vineeta Shriwani	Mr. Manchi Venkat Rajarao	Mr. Abhishek Jaiswal
1	22.05.2019	Y	Y	Y	Y
2	10.08.2019	Y	N	Y	Y
3	12.11.2019	Y	Y	Y	Y
4	11.02.2020	Y	Y	Y	Y

Y-Attended N-NotAttended NA – NotApplicable

The requisite quorum was present at the meetings.

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

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

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

4. Nomination & Remuneration Committee

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

- ❖ To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal. and to specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors to be carried out by the Board, by the NRC or by an independent external agency and review its implementation and compliance;
- ❖ To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- ❖ While formulating the policy, to ensure that –
 - I. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - II. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - III. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- ❖ To take into account financial position of the company, trend in the industry, appointee's qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders while approving the remuneration payable to managing director, whole time director or manager;
- ❖ To lay down / formulate the evaluation criteria for performance evaluation of independent directors and the Board;
- ❖ To devise a policy on Board diversity;
- ❖ To recommend to board, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- ❖ To review and approve the remuneration and change in remuneration payable to whole-time director(s);
- ❖ To recommend to board, all remuneration payable to senior management. (i.e. members of the core management team, i.e. members one level below the chief executive officer / managing director / whole time director) and shall specifically include Company Secretary and Chief Financial Officer.

b) Nomination & Remuneration Policy:

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

c) Composition of Nomination and Remuneration Committee:

Sr. No.	Name of the Director	Chairman / Member	Category
1.	Mr. Manchi Venkat Raja Rao	Chairman	Non-Executive Independent Director
2.	Mr. Prakash Yashwant Gurav	Member	Non-Executive Independent Director
3.	Ms. Vineeta Shriwani	Member	Non-Executive Independent Director

d) Meetings / Attendance Chart of Nomination & Remuneration Committee

During the period two meetings were called / conducted of NRC Committee in the Financial Year 2019-20.

Sr. No	Date of NRC Committee Meeting	Mr. Prakash Yashwant Gurav	Ms. Vineeta Shriwani	Mr. Manchi Venkat Rajarao
1	22.05.2019	Y	Y	Y
2	10.08.2019	Y	N	Y

Sitting fees

Sitting fees of Rs. 20,000/- per meeting was paid to the directors for attending Board Meetings and Rs. 15,000/- per meeting for attending Committee Meetings for the financial year 2019-2020.

4. Remuneration of Directors:

- (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity has been covered in Form MGT-9 which is an Annexure III to the Directors Report.
- (b) Remuneration to Non-Executive Director (including Independent Directors) – The Non-Executive Directors are paid remuneration by way of sitting fees. The Non-Executive Director/Independent Directors do not have any pecuniary relationship or transactions with the Company

Name of Director	Sitting Fee (Rs)	Commission to Non-Executive Directors (Rs)	No. of Shares/convertible instruments held
Mr. Prakash Yashwant Gurav	2,25,000	Nil	Nil
Mr. Manchi Venkat Rajarao	2,25,000	Nil	Nil
Ms. Vineeta Shriwani	1,60,000	Nil	Nil
Mr. Asim Ranjan Das Gupta**	Nil	Nil	Nil
Mrs. Madhuchhanda Chatterjee	Nil	Nil	Nil

**Mr. Asim Ranjan Das gupta was appointed by the Board as Non-Executive Director on 22.01.2019 and thereafter his appointment was confirmed by the shareholders in the EGM held on 9th of March 2019, he resigned from directorship on 22.05.2019 due to personal reasons.

(c) Remuneration to Executive Director –

Name of Director	Gross Salary	Commission	Perquisites	Bonuses
Mr. Abhishek Jaiswal	35,63,535/-	Nil	Nil	Nil

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

5. Performance Evaluation criteria of the Board / Independent Director

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, adopted Board Evaluation Policy to comply with the various provisions of the Act, the Listing Regulations and the SEBI circular dated January 5, 2017 which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

The policy has been framed with an objective to ensure individual Directors of the Company and the Board as a whole, works efficiently and effectively in achieving their functions, in the interest of the Company and for the benefit of its stakeholders. Accordingly, the policy provides guidance on evaluation of the performance of: (i) individual Directors (including the Chairperson); (ii) the Board as a whole; and (iii) various committees of the Board, on an annual basis.

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

6. Independent Directors Meeting:

During the year under review, the Independent Directors met on 11th Day of February, 2020 inter alia, to discuss:

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

7. Stakeholder Relationship and Investors' Grievance Committee

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

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

a) Composition:

Sr. No	Name of the Director	Chairperson / Member	Category
i.	Mr. Manchi Venkat Raja Rao	Chairperson	Non-Executive Independent Director
ii	Mr. Prakash Yashwant Gurav	Member	Non-Executive Independent Director
iii	Mr. Abhishek Jaiswal	Member	Whole Time Director & C.E.O.

b) Meetings / Attendance Chart of Stakeholder Committee

During the period one meeting was called / conducted of Stakeholder Committee in the Financial Year 2019-20.

Sr. No	Date of NRC Committee Meeting	Mr. Prakash Yashwant Gurav	Ms. Abhishek Jaiswal	Mr. Manchi Venkat Rajarao
1	11.02.2020	Y	Y	Y

c) Name and designation of Compliance Officer:

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

d) Stakeholder Relationship Committee terms of reference:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The complaints and queries of the shareholders were dealt by the Board of Directors during the period.

e) Details of requests received and redressed during the year 2019-2020:

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

8. Corporate Social Responsibility (CSR) Committee

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

The Corporate Social Responsibility Committee shall-

- * Formulate and recommend to the board, a CSR POLICY
- * Recommend the amount to be spent on these activities

- * Monitor the company's CSR policy regularly
- * Institution of transparent monitoring mechanism for the implementation of CSR projects

b. The committee consists of following directors:

Sr. No	Name of the Director	Chairperson / Member	Category
i.	Mr. Manchi Venkat Raja Rao	Chairperson	Non-Executive Independent Director
ii	Mr. Prakash Yashwant Gurav	Member	Non-Executive Independent Director
iii	Mr. Abhishek Jaiswal	Member	Whole Time Director

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

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

DATE	LOCATION	TIME	Details of any Special Resolution
27th September, 2017	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	N.A.
28th September 2018	Stock Exchange Auditorium, U P Stock Exchange Building, Padam Towers, Civil Lines, Kanpur - 208 003. (U.P.)	03.00 P.M.	N.A.
28th September 2019	Hotel Samdareeya, Dr. Barat Road, Russel Chowk, Jabalpur (M.P.)	11.00 A.M.	1. Re-Appointment of Mr. M.V. Raja Rao as an Independent Director Non-Executive Director. 2. Re-Appointment of Mr. P .Y. Gurav as an Independent Non-Executive Director.

b. Details of the Extra ordinary general meeting held in the Financial Year 2019-2020

During the year as there was no Extra Ordinary business item was to be transacted hence Extra Ordinary General Meeting was not called upon by the company.

c. Postal Ballots:

No resolution was passed by postal ballot in the year 2019-2020.

10. Means of Communication

Financial results of the Company are promptly forwarded to the stock exchanges where the Company's shares are listed. The same are published within 48 hours in the newspapers namely Financial Express and Rashtriya Sahara (English & Hindi). After the change in registered office of the company from the State of U.P. to State of M.P. the same were being published in Financial Express and Raj Express (English & Hindi). The results are also posted on the Company's website www.cebbsco.com

(i)	Quarterly Results	The quarterly results of the Company are submitted to the stock exchanges as well as published in the newspaper as per the requirement of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. These results are also posted on website of the Company
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(ii)	Newspaper wherein results normally published	English: Financial Express Hindi: Rashtriya Sahara, Raj Express
(iii)	Any website where displayed	The results are displayed on the website of the Company i.e www.cebbsco.com
(iv)	Whether it also displays official news releases	No
(v)	The presentation made to institutional investors or to the analyst	Nil

- (vi) Management discussion and Analysis Report forms part of the Annual Report, which is sent to the Shareholders of the Company.
- (vii) SEBI processes investor complaints in a centralized web based complaints Redressal system i.e SCORES. Through this system the investor can lodge complaint against a company for his grievance. The Company uploads the Action Taken Report (ATRs) of the complaint which can be also viewed by investors.
- (viii) A separate section under the head “Investor Relation”, on the Company’s website gives information on shareholding, quarterly/half yearly results and other relevant information of interest to the investors/public.

11. General Shareholder Information

- a) Number of Annual General Meeting : 40th Annual General Meeting
- b) Date : September 24, 2020
- c) Day : Thursday
- d) Time : 12.30P.M.
- e) Venue/ mode : The Company is conducting meeting through video conferencing (‘VC’)/other audio-visual means(‘OAVM’) pursuant to the MCA circulars. For details please refer to the Notice of AGM

- f) Tentative Calendar for the Financial Year 2020-2021

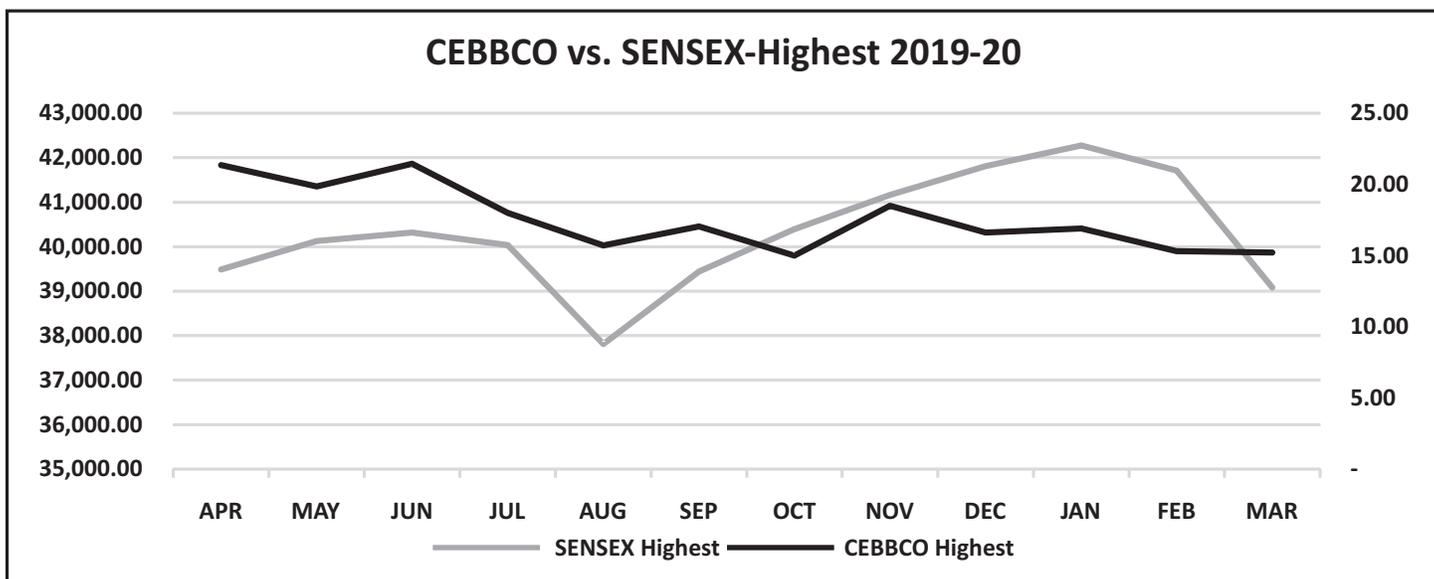
Particulars	Date
First Quarter Results	On or before September 15, 2020
Second Quarter Results	On or before November 14, 2020
Third Quarter Results	On or before February 14, 2020
Audited Annual Results	On or before May 30, 2021

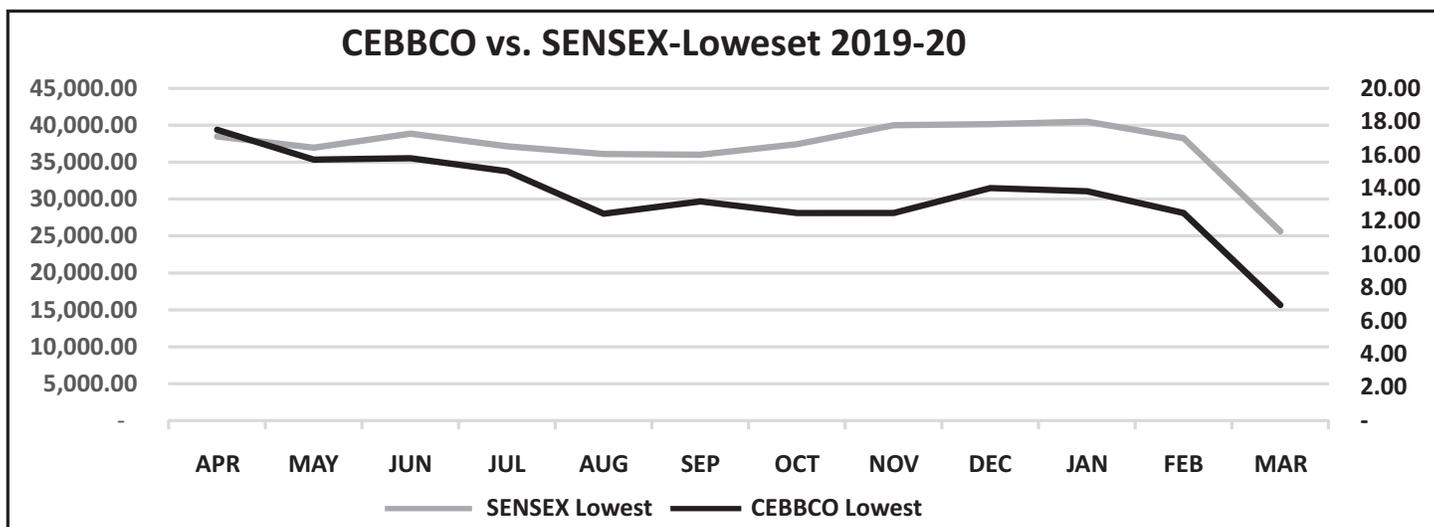
- g) The Company is in revival stage, therefore, directors of the Company have shown their inability to declare any dividend during the year ended on 31st March, 2020.
- h) Book Closure Date : 21.09.2020 to 24.09.2020
(Both dates included)
- i) The shares of the Company have been listed on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai w.e.f. October 18, 2010. The listing fees for FY 2019-2020 to both the stock exchanges have been paid.
- j) Stock Code of the Company on both the above-mentioned Stock Exchanges:

Name of Stock Exchange	Stock Code
BSE	533272
NSE	CEBSCO

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

Sr.	Month	BSE				NSE			
		Price Rs. High	Price Rs. Low	SENSEX Highest	SENSEX Lowest	Price Rs. High	Price Rs. Low	Nifty 50 Highest	Nifty 50 Lowest
1	Apr-19	21.35	17.50	39487.45	38460.25	20.90	17.55	11856.15	11549.10
2	May-19	19.85	15.70	40124.96	36956.10	19.80	16.00	12041.15	11108.30
3	Jun-19	21.45	15.80	40312.07	38870.96	21.35	16.05	12103.05	11625.10
4	Jul-19	18.00	15.00	40032.41	37128.26	19.25	15.00	11981.75	10999.40
5	Aug-19	15.70	12.45	37807.55	36102.35	16.00	12.00	11181.45	10637.15
6	Sep-19	17.03	13.20	39441.12	35987.80	17.00	13.25	11694.85	10670.25
7	Oct-19	14.99	12.50	40392.22	37415.83	15.50	12.50	11945.00	11090.15
8	Nov-19	18.50	12.50	41163.79	40014.23	18.70	12.45	12158.80	11802.65
9	Dec-19	16.60	14.00	41809.96	40135.37	16.65	13.95	12293.90	11832.30
10	Jan-20	16.89	13.80	42273.87	40476.55	16.90	13.80	12430.50	11929.60
11	Feb-20	15.30	12.50	41709.3	38219.97	15.45	12.20	12246.70	11175.05
12	Mar-20	15.20	6.97	39083.17	25638.90	15.20	6.75	11433.00	7511.10





l) Registrar and Share Transfer Agents

The share transfer work of the Company is being handled by KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal Hyderabad – 500032 India

The name of the Company’s RTA is changed to KFin Technologies Private Limited from Karvy Fintech Private Limited effective December 5, 2019. The Company has communicated this information to the stock exchanges and also made it available on the Company’s website.

m) Share Transfer System

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

n) Shareholding Pattern as on 31.03.2020

**COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED
Shareholding Pattern As On 31/03/2020 (Total)**

Sr.	Description	Without Grouping			With Grouping		
		No. of Cases	Total Shares	% Equity	No. of Cases	Total Shares	% Equity
1	TRUSTS	1	5339136	5.97	1	5339136	5.97
2	RESIDENT INDIVIDUALS	10308	16382351	18.31	10105	16382351	18.31
3	PROMOTERS	5	54267871	60.65	5	54267871	60.65
4	NON RESIDENT INDIANS	65	106656	0.12	64	106656	0.12
5	CLEARING MEMBERS	40	94029	0.11	31	94029	0.11
6	PROMOTER INDIVIDUALS	1	58030	0.06	1	58030	0.06
7	BANKS	1	8349158	9.33	1	8349158	9.33
8	NON RESIDENT INDIAN NON REPATRIABLE	30	72147	0.08	30	72147	0.08
9	BODIES CORPORATES	115	3258558	3.64	102	3258558	3.64
10	H U F	378	1554721	1.74	374	1554721	1.74
	Total:	10944	89482657	100.00	10714	89482657	100.00

o) Distribution of Shareholding as of 31.03.2020:
Distribution Schedule - Consolidated As on 31-03-2020 (Without Grouping)

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	7,548	68.969298	1,314,635	13,146,350	1.469151
5001- 10000	1,436	13.121345	1,238,721	12,387,210	1.384314
10001- 20000	767	7.008406	1,246,017	12,460,170	1.392468
20001- 30000	317	2.896564	831,172	8,311,720	0.928864
30001- 40000	167	1.525950	605,535	6,055,350	0.676707
40001- 50000	159	1.452851	770,839	7,708,390	0.861440
50001- 100000	276	2.521930	2,054,081	20,540,810	2.295507
100001& Above	274	2.503655	81,421,657	814,216,570	90.991550
Total	10,944	100.00	89,482,657	894,826,570	100.00

p) Dematerialization of Shares and Liquidity
Summary of Shareholding As on 31-03-2020 (Without Grouping)

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	2	403	0.000450
N S D L	5,928	32,348,861	36.150984
C D S L	5,014	57,133,393	63.848566
Total	10,944	89,482,657	100.00

q) List of all the credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Credit Ratings –

Credit ratings obtained during FY 2019-2020, for the line of credit facilities obtained from Banks:

Rating Agency	Date	Credit Rating	
		Short Term	Long Term
ICRA	05/11/2019	[ICRA] BB- (pronounced ICRA Double B Minus)	[ICRA] A4 (pronounced ICRA A Four) with Stable Outlook.

r) Outstanding GDRs / ADRs/ Warrants or Convertible Instruments, conversion date and likely impact on Equity. **The Company has not issued such instruments.**

s) Address for Correspondence for Investor redressal, Physical transfer and dematerialization

Address for Correspondence for Investor Redressal, Physical transfer and dematerialization:	KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal Hyderabad – 500032 India
Person to be contacted for Shareholder queries	Mr. Amit K Jain, Company Secretary and Compliance Officer; 48, Vandana Vihaar, Gorakhpur, Jabalpur 482 001, Madhya Pradesh, India; Tel.: +91 761-2661336 E-mail: cs@cebbco.com; Website: www.cebbco.com
Factory / Plant location	Industrial Area, Richhai, Jabalpur (MP)
	Udaipur, Tehsil Niwas, Distt- Mandla (MP)
	Plot No 690-696,751-756, Sector -3, Pithampur, Distt - Dhar (MP)
	Plot No. 742, Phase VI, Adityapur Industrial Area, Jamshedpur – 832109
	Gram Imlai, Panagar, Jabalpur (MP)
Registered Office	48, Vandana Vihaar, Narmada Road, Gorakhpur, Jabalpur 482 001, Madhya Pradesh, India; Tel.: +91 761-2661336 E-mail: cs@cebbco.com; Website: www.cebbco.com

13. Other Disclosures

- a. The Company is in compliance with all mandatory requirements under the Listing Regulations.
- b. There are no transactions with related parties i.e. with the Promoters, Directors, Management, Subsidiaries or relatives etc. that may have potential conflict of interest of the Company at large. Transactions with related parties are disclosed in **note 43** to the Accounts of the Company in the Annual Report. the web-link of the policy on dealing with related party transactions is http://www.cebbco.com/docs/profile_for_investors.html
- c. The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or other statutory authorities relating to the above.
- d. The Company has formulated & adopted formal Whistle Blower Policy, and all the possible measures are taken to abide by the policy. In addition to this Company takes cognizance of complaints made and suggestions given by the employees and others. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz., www.cebbco.com.

- e. Disclosures on Policy for determining Material Subsidiaries – The Company does not have any Subsidiaries during the financial year ended on 31st March, 2020, therefore, the Company has not framed ‘Policy for determining ‘Material’ subsidiaries’.
- f. Disclosure of commodity price risks and commodity hedging activities., mention it as- **[Not Applicable]**;
- g. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- h. Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.
- i. Details of utilization of funds raised during the year through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)–
During the Financial year 2018-19 company issued 3,45,39,693 fresh equity shares of Rs. 10 each on preferential basis which resulted in fresh infusion of capital amounting to Rs. 34,53,96,930. Details of the utilization of funds is as below:-
1. Repayment of Outstanding Loan standing in the name of Financial Institution/ Bank of Rs. 16,86,83,790 /-
 2. Settlement amount paid as per the resolution plan to the old promoters – Rs. 7,19,90,530/-
 3. Rs. 2,80,09,470 used for capital expenditure related work of Deori unit.
 4. Balance fund has been utilized for capital expenditure related work of all the units.
- j. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. S.K. Gupta, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report
The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- i. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. **Not Applicable**
- j. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor BSR & CO. LL.P. (Details relating to fees paid to the Statutory Auditors are given in Notes to the Annual Financial Statements of the Company.
- k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. Number of complaints filed during the financial year - Nil
 - b. Number of complaints disposed of during the financial year – Nil
 - c. Number of complaints pending as on end of the financial year – Nil

- i. The non-mandatory requirements have been adopted to the extent and in the manner as stated under /detailed below:
- i. The position of the Chairman of the Board of Directors and that of the Managing Director and the Chief Executive Officer are separate
 - ii. The quarterly, half-yearly and annual financial results of your Company are published in newspapers and posted on Company's website www.ceb3co.com. The same are also available on the sites of stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.
 - iii. The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements.
 - iv. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.
14. The Company has complied with all the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 and erstwhile clause 49 of the listing agreement.

Sl. No.	Particulars	Regulations	Compliance status
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Review of Compliance Reports	17(3)	Yes
5	Plans for orderly succession for appointments	17(4)	Yes
6	Code of Conduct	17(5)	Yes
7	Fees/compensation	17(6)	Yes
8	Minimum Information	17(7)	Yes
9	Compliance Certificate	17(8)	Yes
10	Risk Assessment & Management	17(9)	Yes
11	Performance Evaluation of Independent Directors	17(10)	Yes
12	Composition of Audit Committee	18(1)	Yes
13	Meeting of Audit Committee	18(2)	Yes
14	Composition of nomination & remuneration committee	19(1) & (2)	Yes
15	Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
16	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
17	Vigil Mechanism	22	Yes
18	Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
19	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
20	Approval for material related party transactions	23(4)	NA
21	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA

22	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
23	Maximum Directorship & Tenure	25(1) & (2)	Yes
24	Meeting of independent directors	25(3) & (4)	Yes
25	Familiarization of independent directors	25(7)	Yes
26	Memberships in Committees	26(1)	Yes
27	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
28	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
29	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

15. Reconciliation of Share Capital Audit Report

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

16. Disclosures with respect to demat suspense account / unclaimed suspense account - **Not Applicable**

17. Prevention of Insider Trading – Company duly have Insider Trading Policy which includes policy and procedures for inquiry in case of leak of UPSI or unsuspected leak of UPSI the web-link of the policy on dealing with related party transactions is http://www.cebbco.com/docs/profile_for_investors.html.

Place: Jabalpur
Date: 24.08.2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mr. Prakash Gurav
(Director)

Mr. Abhishek Jaiswal
(Whole Time Director)

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

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

I Confirm that Company has in respect of the financial year ended March 31, 2020 received from the Board of Directors, Executive Vice presidents, Senior Officers and Company Secretary a declaration of compliance with the Code of Conduct as applicable to them.

The said Code is also placed on the website of the Company viz. www.cebbco.com

Place: Jabalpur
Date: 24.08.2020

Prakash Gurav
Director

Abhishek Jaiswal
Whole Time Director

S. K. Gupta & Co.
Company Secretaries

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

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Commercial Engineers & Body Builders Co. Limited,
48, Vandana Vihar, Narmada Road, Gorakhpur,
Jabalpur – 482001 (Madhya Pradesh)

We have examined the compliance of the conditions of the Corporate Governance by **Commercial Engineers & Body Builders Co. Limited** (“the Company”) for the Financial Year ended 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as “Listing Regulations”].

The compliance of the conditions of the Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither audit nor an expression of the opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned “Listing Regulations” as applicable during the year ended 31st March, 2020.

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

For **S. K. Gupta & Co.**
Company Secretaries

Place: Kanpur
Date : 10th July, 2020

(S. K. GUPTA)
Managing Partner
F.C.S 2589
C.P. 1920
UDIN: F002589B000438310

S. K. Gupta & Co.
Company Secretaries

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

**CERTIFICATE PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C, CLAUSE (10) (i)
OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
The Members,
Commercial Engineers & Body Builders Co. Limited,
48, Vandana Vihar, Narmada Road, Gorakhpur,
Jabalpur – 482001 (Madhya Pradesh)

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

as submitted by the Directors of Commercial Engineers & Body Builders Co. Limited ('the Company') bearing CIN: L24231MP1979PLC049375 and having its Registered Office at 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur – 482001 (Madhya Pradesh) to the Board of Directors of the Company ('the Board') for the Financial year 2020-2021 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company, our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Director Identification Number (DIN) status on the MCA Portal (www.mca.gov.in), in our opinion and to the best of our

information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder for the Financial year ended 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment*	Date of Cessation
1.	Shri Venkatraja Manchi Rao	00110363	15.07.2014	N.A.
2.	Shri Prakash Yashwant Gurav	02004317	15.07.2014	N.A.
3.	Shri Abhishek Jaiswal	07936627	14.09.2017	N.A.
4.	Ms. Vineeta Shriwani	08095170	26.03.2018	N.A.
5.	Shri Asim Ranjan Dasgupta* *Disqualified w.e.f. 1st April,2019 in terms of Regulation 17(1A) of SEBI (LODR) Regulations,2015	02284092	22.01.2019	22.05.2019
6.	Smt. Madhuchhanda Chatterjee	02510507	22.05.2019	N.A.

* the date of appointment is as per the Authorised Signatories details displayed on MCA Portal.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial year ended 31st March, 2020.

For **S. K. Gupta & Co.**
Company Secretaries

Place : Kanpur
Date : 10th July, 2020

(S. K. GUPTA)
Managing Partner
F.C.S 2589
C.P 1920
UDIN: F002589B000438222

CEO & CFO CERTIFICATE

22/07/2020

Board of Directors,
Commercial Engineers & Body Builders Co Limited,
48, Vandana Vihar, Narmada Road, Gorakhpur,
Jabalpur (M.P.) 482001

Dear Sirs,

- a. This is to confirm that we have reviewed financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or which violates of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have been taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
- i. That there are no significant changes in internal control over financial reporting during the year;
 - ii. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer

Sanjiv Keshri
Chief Financial Officer

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.

Revenue Recognition See note 28 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company's revenue from operations (i.e. sale of goods) for the year ended 31 March 2020 was INR 12,354.67 Lakhs.</p> <p>Revenue is recognized in accordance with accounting policies as detailed in "Significant accounting policies" in the Financial Statements.</p> <p>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.</p> <p>In view of the above, we have identified revenue recognition as a key audit matter.</p>	<p>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:</p> <ul style="list-style-type: none"> 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 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.

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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Shashank Agarwal

Partner

Membership No.: 095109

ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram

Date: 22 July 2020

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.

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
		CIT (Appeals), 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 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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Shashank Agarwal

Partner

Membership No.: 095109

ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram

Date: 22 July 2020

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.

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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Shashank Agarwal

Partner

Membership No.: 095109

ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram

Date: 22 July 2020

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	10,948.72	11,268.42
Capital work-in-progress	3	555.39	13.01
Right of use assets	39	120.87	-
Intangible assets	4	35.54	28.86
Intangible assets under development	4	19.50	-
Financial assets			
(i) Investments	5	-	0.10
(ii) Loans	6	56.10	57.68
Non-current tax assets (net)		21.51	9.96
Other non-current assets	7	187.61	2,784.42
Total non-current assets		11,945.24	14,162.45
Current assets			
Inventories	8	4,757.01	1,444.43
Financial assets			
(i) Trade receivables	9	1,110.56	1,774.82
(ii) Cash and cash equivalents	10	282.05	2,302.67
(iii) Bank balances other than (ii) above	11	168.25	87.26
(iv) Loans	12	199.43	250.19
(v) Other financial assets	13	41.03	187.46
Current tax assets (net)		73.63	75.93
Other current assets	14	1,312.46	470.70
Assets held for sale	15	99.50	102.00
Total current assets		8,043.92	6,695.46
Total assets		19,989.16	20,857.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	8,948.27	8,948.27
Other equity	17	595.93	637.27
Total equity		9,544.20	9,585.54
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	2,690.01	3,403.27
(ii) Lease liabilities		42.78	-
(iii) Other financial liabilities	19	5.10	5.10
Provisions	20	124.98	24.14
Other non-current liabilities	21	-	2,856.17
Total non-current liabilities		2,862.87	6,288.68
Current liabilities			
Financial liabilities			
(i) Borrowings	22	2,083.55	462.55
(ii) Lease liabilities		0.39	-
(iii) Trade payables	23		
(a) Total outstanding dues of Micro and Small Enterprises		27.78	166.69
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		3,412.94	2,363.72
(iv) Other financial liabilities	24	470.32	643.05
Other current liabilities	25	1,435.33	908.72
Provisions	26	151.78	197.18
Current tax liabilities (net)	27	-	241.78
Total current liabilities		7,582.09	4,983.69
Total equity and liabilities		19,989.16	20,857.91

See accompanying notes to the financial statements
As per our report of even date attached

For BSR & 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. Limited.

P.Y. Gurav
Director
(DIN: 02004317)
Place : Pune
Date : 22 July 2020

Sanjiv Keshri
Chief Financial Officer
(CA Membership No.: 062281)
Place : Kolkata
Date : 22 July 2020

Abhishek Jaiswal
Whole Time Director & C.E.O.
(DIN: 07936627)
Place : Jabalpur
Date : 22 July 2020

Amit Jain
Company Secretary
(CS Membership No. 39779)
Place : Indore
Date : 22 July 2020

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	18,045.82
Changes in inventories of finished goods and work-in-progress	31	(2,090.02)	(251.69)
Employee benefits expense	32	901.98	679.10
Finance costs	33	617.17	2,214.45
Depreciation and amortisation expense	34	831.74	1,037.91
Other expenses	35	1,481.41	1,916.37
Total expenses		13,814.61	23,641.96
Loss before tax and exceptional items		(910.87)	(1,986.09)
Exceptional Items	36	655.12	10,853.47
(Loss) / profit before tax		(255.75)	8,867.38
Tax expense			
Current tax expense		-	-
Taxes adjustment related to earlier years	37	(241.78)	-
Deferred tax (credit)/ charge		-	-
(Loss) / profit for the year		(13.97)	8,867.38
Other comprehensive income			
Items that will not be reclassified the statement of profit and loss			
Re-measurement (loss) / gain of defined benefit obligation		(27.37)	(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		(27.37)	(1.20)
Total comprehensive (loss) / income for the year		(41.34)	8,866.18
(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)]	41	(0.02)	14.42
See accompanying notes to the financial statements			
As per our report of even date attached			
<p><i>For B S R & Co. LLP</i> Chartered Accountants Firm Registration No.: 101248W/W-100022</p> <p>Shashank Agarwal Partner Membership No.: 095109 Place : Gurugram Date : 22 July2020</p>	<p><i>For and on behalf of the Board of Directors of</i> Commercial Engineers and Body Builders Co. Limited.</p> <p>P.Y. Gurav Director (DIN: 02004317) Place : Pune Date : 22 July2020</p> <p>Sanjiv Keshri Chief Financial Officer (CA Membership No.: 062281) Place : Kolkata Date : 22 July2020</p>	<p>Abhishek Jaiswal Whole Time Director & C.E.O. (DIN: 07936627) Place : Jabalpur Date : 22 July2020</p> <p>Amit Jain Company Secretary (CS Membership No. 39779) Place : Indore Date : 22 July2020</p>	

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	5,494.30
Changes during the year	3,453.97
Balance as at 31 March 2019	8,948.27
Changes during the year	-
Balance as at 31 March 2020	8,948.27

B. Other equity

Particulars	Equity component of compound financial instrument (Note 16)	Reserve and surplus (1)					Retained earnings	Items of other comprehensive income	Total
		General reserve	Capital reserve	Securities Premium	Deemed contribution by shareholders (Note 17)	Remeasurement of defined benefit liability			
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 (loss) / income 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	(17,105.44)	3.94	637.27	
Balance as at 1 April 2019	899.34	9.80	8.72	12,837.80	3,983.11	(17,105.44)	3.94	(13.97)	
Loss for the year	-	-	-	-	-	(13.97)	-	(13.97)	
Transfer to retained earnings	-	-	-	-	-	3.94	(3.94)	-	
Other comprehensive (loss) / income for the year	-	-	-	-	-	(27.37)	-	(27.37)	
Transfer to capital reserve during the year pursuant to forfeiture (Refer note 16 (a))	(899.34)	-	899.34	-	-	-	-	-	
Balance as at 31 March 2020	-	9.80	908.06	12,837.80	3,983.11	(17,142.84)	-	595.93	

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 **BSR & 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. Limited.

P.Y. Gurav

Director

(DIN: 02004317)

Place : Pune

Date : 22 July 2020

Abhishek Jaiswal

Whole Time Director & C.E.O.

(DIN: 07936627)

Place : Jabalpur

Date : 22 July 2020

Sanjiv Keshri

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

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	(255.75)	8,867.38
Adjustments for :		
Depreciation and amortisation expenses	831.74	1,037.91
(Profit) / loss on sale of property, plant and equipment / held for sale	(0.92)	25.45
Provision for doubtful debt and advances	32.31	11.61
Investment written off	0.10	-
Liabilities / provisions no longer required written back	(279.37)	(63.22)
Exceptional items (refer note 36)	(655.12)	(10,853.47)
Interest income	(47.99)	(10.73)
Finance costs	617.17	2,214.45
Cash flows from operating activities before changes in following assets and liabilities	242.17	1,229.38
Changes in assets and liabilities		
(Increase) in inventories	(3,312.58)	(517.92)
Decrease in trade receivables, financial assets and other assets	2,682.01	236.03
(Decrease) in trade payables, financial liabilities and other liabilities	(1,133.21)	(30.43)
Increase in provisions	55.48	15.30
Cash generated from operations	(1,466.13)	932.36
Income-taxes paid	(8.59)	(9.96)
Net cash (used) / generated in operating activities (A)	(1,474.72)	922.40
Cash flow from investing activities		
Purchases of property, plant and equipment, capital work in progress and intangible assets	(1,220.64)	(120.78)
Investment in bank deposits (having original maturity more than 3 months)	(80.99)	-
Interest received	47.25	10.73
Net cash used in investing activities (B)	(1,254.38)	(110.05)
Cash flow from financing activities		
Proceeds from issue of equity share capital		3,453.97
Proceeds from short term borrowings	2,083.55	662.23
Repayment of short term borrowings	(462.55)	(990.35)
Repayment of long term borrowings	(285.24)	(1,686.84)
Repayment of Lease liabilities	(0.34)	-
Finance cost paid	(626.94)	(282.53)
Net cash flow from financing activities (C)	708.48	1,156.48
Net Cash Flows [(decrease)/increase] during the year (A+B+C)	(2,020.62)	1,968.83
Cash and cash equivalents at the beginning of the year	2,302.67	333.84
Cash and cash equivalents at the end of the year	282.05	2,302.67
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	10.55	2,300.39
- Cash credit accounts	261.27	-
Cash and gold coins on hand	10.23	2.28
Cash and cash equivalents at the end of the year	282.05	2,302.67

Notes:

- 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".
- 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

Firm Registration No.: 101248W/W-100022

Shashank Agarwal

Partner

Membership No.: 095109

Place : Gurugram

Date : 22 July2020

For and on behalf of the Board of Directors of

Commercial Engineers and Body Builders Co. Limited.

P.Y. Gurav

Director

(DIN: 02004317)

Place : Pune

Date : 22 July2020

Sanjiv Keshri

Chief Financial Officer

(CA Membership No.: 062281)

Place : Kolkata

Date : 22 July2020

Abhishek Jaiswal

Whole Time Director & C.E.O.

(DIN: 07936627)

Place : Jabalpur

Date : 22 July2020

Amit Jain

Company Secretary

(CS Membership No. 39779)

Place : Indore

Date : 22 July2020

Notes to the financial statements for the year ended 31 March 2020**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.

Notes to the financial statements for the year ended 31 March 2020

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 financial 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.

Notes to the financial statements for the year ended 31 March 2020

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

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.

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.

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;

Notes to the financial statements for the year ended 31 March 2020

- ❖ 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.

Notes to the financial statements for the year ended 31 March 2020

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.

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.

Notes to the financial statements for the year ended 31 March 2020

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.

Notes to the financial statements for the year ended 31 March 2020

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 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 are 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.

Notes to the financial statements for the year ended 31 March 2020

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.

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.

Notes to the financial statements for the year ended 31 March 2020**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.

Notes to the financial statements for the year ended 31 March 2020**iii) Defined benefit plans**

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

Gratuity

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

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

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

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

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

h) Foreign currency transactions and translation

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

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

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

Notes to the financial statements for the year ended 31 March 2020

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

Notes to the financial statements for the year ended 31 March 2020

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 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-

Notes to the financial statements for the year ended 31 March 2020

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.

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

Notes to the financial statements for the year ended 31 March 2020

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.

Notes to the financial statements for the year ended 31 March 2020**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

Notes to the financial statements for the year ended 31 March 2020

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

Notes to the financial statements for the year ended 31 March 2020

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

Notes to the financial statements for the year ended 31 March 2020

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

Impairment

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

Write-off

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

ii) Financial liabilities**Recognition and initial measurement**

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

Classification and subsequent measurement

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

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

Derecognition

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

Notes to the financial statements for the year ended 31 March 2020

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.

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 and fixtures	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:

- For details of assets pledged/ hypothecated as securities, refer note 18 and 22.
- Refer note 40 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 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).
- Refer also note 36

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	-

5. Non-current financial assets- Investments
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

Total
Aggregate amount of non-current unquoted investments
Aggregate amount of impairment in the value of investments
As at 31 March 2020
As at 31 March 2019

-

0.10

-

0.10

-

0.10

-

-

6. Non-current financial assets- Loans
Unsecured, considered good

Security deposits

Total
As at 31 March 2020
As at 31 March 2019

56.10

57.68

56.10
57.68

Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.

Notes to the financial statements for the year ended 31 March 2020

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

7.	Other non-current assets	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
	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
		<u>205.36</u>	<u>2,802.17</u>
	Less: Provision for doubtful capital advances	17.75	17.75
	Total	<u><u>187.61</u></u>	<u><u>2,784.42</u></u>
8.	Inventories*		
	Valued at lower of cost and net realisable value	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
	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	<u><u>4,757.01</u></u>	<u><u>1,444.43</u></u>
	*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	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
	Unsecured, considered good	1,110.56	1,774.82
	Unsecured, considered doubtful	1,506.67	1,474.35
		<u>2,617.23</u>	<u>3,249.17</u>
	Less : Loss allowance for trade receivables (refer note 45(b))	1,506.67	1,474.35
		<u>1,110.56</u>	<u>1,774.82</u>
	Total	<u><u>1,110.56</u></u>	<u><u>1,774.82</u></u>
	The Company's exposure to credit and currency risks are disclosed in Note 45.		
10.	Cash and cash equivalents	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
	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	<u><u>282.05</u></u>	<u><u>2,302.67</u></u>
	Information about Company's exposure to credit risks is disclosed in Note 45.		
11.	Bank balances other than cash and cash equivalents	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
	Fixed deposits with bank*	168.25	87.26
	Total	<u><u>168.25</u></u>	<u><u>87.26</u></u>

*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.

Notes to the financial statements for the year ended 31 March 2020

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

12. Current financial assets- Loans	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Unsecured, considered good		
Security deposits	192.85	242.93
Loans to employees (including accrued interest)	6.58	7.26
Total	<u>199.43</u>	<u>250.19</u>
Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.		
13. Current financial assets - Others	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
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
	<u>1,041.03</u>	<u>1,187.46</u>
Less: Loss allowance for Inter corporate deposits	1,000.00	1,000.00
Total	<u>41.03</u>	<u>187.46</u>
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	<u>1,000.00</u>	<u>1,000.00</u>
Refer note 45 for detailed disclosure on fair value of financial assets carried at amortised cost.		
14. Other current assets	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
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	<u>1,312.46</u>	<u>470.70</u>
15. Assets held for sale	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Plant & Machinery (Refer note 36)	99.50	102.00
Total	<u>99.50</u>	<u>102.00</u>

Notes to the financial statements for the year ended 31 March 2020

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

16. Share capital

Authorised share capital	Equity shares		0.0001% 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	Number of shares	Amount (INR)
Equity shares of INR 10 each issued, subscribed and fully paid up		
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 (INR)
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	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
Equity shares				
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	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
0.00001% Preference shares of Rs.100 each				
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	
	Number of shares	Amount (INR)	Number of shares	Amount (INR)
0.001% Preference shares of Rs.100 each				
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.

Notes to the financial statements for the year ended 31 March 2020

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

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.

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. D.R. Kailash Gupta & Mrs. Rekha Gupta (Jointly)			2,00,000	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 (INR)	Number of shares	Amount (INR)
0.00001% Preference shares				
Aggregate of calls unpaid				
-Dr. Kailash Gupta and Mrs. Rekha Gupta (Jointly)	-	-	2,000,000	700.00

Notes to the financial statements for the year ended 31 March 2020

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

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

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.

Notes to the financial statements for the year ended 31 March 2020

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

18. Borrowings	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
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
	<u>2,690.01</u>	<u>3,403.27</u>
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)	<u>2,892.05</u>	<u>3,688.51</u>

Repayment terms and security disclosure for the outstanding non-current borrowings as at 31 March 2020 and 31 March 2019:

Terms of Borrowings	Particulars	Terms of Repayment	As at 31 March 2020	As at 31 March 2019
(I) 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	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Security deposits	5.10	5.10
Total	<u>5.10</u>	<u>5.10</u>

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	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Provision for employee benefits (refer note 42)		
- Gratuity	74.38	24.14
- Compensated absences	50.60	-
Total	<u>124.98</u>	<u>24.14</u>

21. Other non-current liabilities	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Amount of duty refundable/ payable to customers*	-	2,856.17
Total	<u>-</u>	<u>2,856.17</u>

*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))

Notes to the financial statements for the year ended 31 March 2020

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

22. Current financial liabilities - Borrowings	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Secured loans		
From banks		
Cash credit facilities	1,598.21	-
From others		
Loans and advances from related parties (refer note 43)	-	262.55
Loans from companies	-	200.00
Unsecured loans		
From banks		
Bill discounting	485.34	-
Total	<u><u>2,083.55</u></u>	<u><u>462.55</u></u>

(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	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
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	<u><u>3,440.72</u></u>	<u><u>2,530.41</u></u>

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	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
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	<u><u>470.32</u></u>	<u><u>643.05</u></u>

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	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Advances from customers and others	1,388.33	661.89
Statutory dues payable	47.00	246.83
Total	<u><u>1,435.33</u></u>	<u><u>908.72</u></u>

Notes to the financial statements for the year ended 31 March 2020

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

26. Current provisions	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Provision for employee benefits (refer note 42)		
- Gratuity	-	24.00
- Compensated absences	7.09	34.47
Provision for litigations	144.69	138.71
Total	<u>151.78</u>	<u>197.18</u>
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	<u>144.69</u>	<u>138.71</u>
27. Current tax liabilities (net)	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
Provision for income tax [net of advance income tax Nil (Previous year: INR 682.48 lakhs)]	-	241.78
Total	<u>-</u>	<u>241.78</u>
28. Revenue from operations	<u>For the year ended 31 March 2020</u>	<u>For the year ended 31 March 2019</u>
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	<u>12,574.39</u>	<u>21,579.96</u>
Contract Balances	<u>For the year ended 31 March 2020</u>	<u>For the year ended 31 March 2019</u>
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	<u>For the year ended 31 March 2020</u>	<u>For the year ended 31 March 2019</u>
Contracted price	12,380.31	21,447.63
Reduction towards variable consideration components	(24.11)	(174.89)
Revenue recognised	<u>12,356.20</u>	<u>21,272.74</u>

The reduction towards variable consideration comprises of discounts etc.

Notes to the financial statements for the year ended 31 March 2020

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

	<u>For the year ended 31 March 2020</u>	<u>For the year ended 31 March 2019</u>
29. Other income		
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
30. Cost of materials consumed		
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		
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		
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		
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		
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

Notes to the financial statements for the year ended 31 March 2020

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

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'.

Notes to the financial statements for the year ended 31 March 2020

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

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	0.00%	(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 certainty of taxable profits in future years, deferred tax assets have not been recognised. The Company reassesses 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 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

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		As at 31 March 2019	
	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	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

Notes to the financial statements for the year ended 31 March 2020

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

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

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 recognised 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

Notes to the financial statements for the year ended 31 March 2020

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

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.
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.

Notes to the financial statements for the year ended 31 March 2020

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

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 2019-20	-	-
Balance as at 31 March 2020	89,482,657	89,482,657

At present, the Company does not have any dilutive potential equity shares

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 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.

Notes to the financial statements for the year ended 31 March 2020

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

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 assets

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

Notes to the financial statements for the year ended 31 March 2020

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

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

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) Longevity 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.

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

Notes to the financial statements for the year ended 31 March 2020

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

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.

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	For the year ended 31 March 2020	For the year ended 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:

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.

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.	-	-

Notes to the financial statements for the year ended 31 March 2020

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

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.

Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

*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.

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:

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.

Notes to the financial statements for the year ended 31 March 2020

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

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

(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 2020	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.

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)
(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.

(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%

Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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 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.

Notes to the financial statements for the year ended 31 March 2020**(All amounts are in INR lakhs, unless otherwise stated)**

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).

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 lockdown 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 confirm to the current year's classification.

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 July2020

For and on behalf of the Board of Directors of

Commercial Engineers and Body Builders Co. Limited.

P.Y. Gurav

Director

(DIN: 02004317)

Place : Pune

Date : 22 July2020

Abhishek Jaiswal

Whole Time Director & C.E.O.

(DIN: 07936627)

Place : Jabalpur

Date : 22 July2020

Sanjiv Keshri

Chief Financial Officer

(CA Membership No.: 062281)

Place : Kolkata

Date : 22 July2020

Amit Jain

Company Secretary

(CS Membership No. 39779)

Place : Indore

Date : 22 July2020

Thank You



Commercial Engineers & Body Builders Co. Limited

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