



JUPITER WAGONS LIMITED

(Formerly known as *Commercial Engineers & Body Builders Co Limited*)

Jupiter Wagons Limited (“**Issuer**” or our “**Company**”) was originally incorporated as “*Commercial Engineers & Body Builders Co Private Limited*” in Kanpur, Uttar Pradesh on September 28, 1979 as a private limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh. Thereafter, our Company was converted into a public limited company and subsequently the name of our Company was changed to “*Commercial Engineers & Body Builders Co Limited*” and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand consequent upon change of name of our Company on March 25, 2010. The registered office of our Company was changed from Uttar Pradesh to Madhya Pradesh, pursuant to certificate of registration of regional director order dated June 18, 2019, for change of state issued by the Registrar of Companies, Madhya Pradesh at Gwalior (“**RoC**”) with effect from August 20, 2019. Subsequently, pursuant to the scheme of amalgamation approved vide orders of the National Company Law Tribunal, Kolkata Bench dated February 28, 2022 and National Company Law Tribunal, Indore Bench dated May 13, 2022, erstwhile Jupiter Wagons Limited was amalgamated with our Company, with the appointed date being October 1, 2019 and the name of our Company was changed to “*Jupiter Wagons Limited*” pursuant a fresh certificate of incorporation dated May 25, 2022, consequent upon change of name was issued by the RoC. For further details, please see the section entitled “*General Information*” on page 204.

Registered Office: 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur – 482001, Madhya Pradesh, India, **Telephone No:** +91 761 266 1336

Corporate Office: 4/2, Middleton Street, Kolkata – 700071, West Bengal, India, **Telephone No.:** +91 33 4011 1777;

Corporate Identity Number: L28100MP1979PLC049375

Contact Person: Deepesh Kedia, Company Secretary and Compliance Officer; **Email:** cs@jupiterwagons.com; **Website:** www.jupiterwagons.com

Our Company is issuing up to 1,20,39,611 equity shares of face value ₹10 each (the “**Equity Shares**”) at a price of ₹103.75 per Equity Share (the “**Issue Price**”), including a premium of ₹93.75 per Equity Share, aggregating to ₹12,491.10 lakh (the “**Issue**”). For further details, see “*Summary of the Issue*” on page 29.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT, 2013”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (“**NSE**”) and BSE Limited (“**BSE**”, together with “**NSE**”, the “**Stock Exchanges**”). The closing prices of the outstanding Equity Shares on BSE and NSE as on May 10, 2023 was ₹111.95 and ₹111.95 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”), for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on May 10, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS (“QIBs”). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION “RISK FACTORS” BEGINNING ON PAGE 46 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

A copy of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act, 2013 and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see “*Issue Procedure*” beginning on page 164. The distribution of the Placement Document or the disclosure of its contents without our Company’s prior consent to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this P Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see “*Selling Restrictions*” on page 181. Also see, “*Transfer Restrictions*” on page 185 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Placement Document is dated May 15, 2023.

BOOK RUNNING LEAD MANAGER



SYSTEMATIX CORPORATE SERVICES LIMITED

CONTENTS

NOTICE TO INVESTORS.....	1
REPRESENTATIONS BY INVESTORS.....	4
OFFSHORE DERIVATIVE INSTRUMENTS.....	10
DISCLAIMER CLAUSE OF THE STOCK EXCHANGES.....	11
PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS	12
INDUSTRY AND MARKET DATA.....	15
FORWARD-LOOKING STATEMENTS.....	16
ENFORCEMENT OF CIVIL LIABILITIES.....	18
EXCHANGE RATES INFORMATION.....	19
DEFINITIONS AND ABBREVIATIONS	20
SUMMARY OF BUSINESS	28
SUMMARY OF THE ISSUE.....	29
SELECTED FINANCIAL INFORMATION	31
RELATED PARTY TRANSACTIONS.....	45
RISK FACTORS	46
MARKET PRICE INFORMATION.....	69
USE OF PROCEEDS	74
CAPITALISATION STATEMENT.....	78
CAPITAL STRUCTURE.....	79
DIVIDENDS.....	83
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	84
INDUSTRY OVERVIEW.....	106
OUR BUSINESS	139
BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL	148
SHAREHOLDING PATTERN OF OUR COMPANY.....	158
ISSUE PROCEDURE.....	164
PLACEMENT AND LOCK UP	179
SELLING RESTRICTIONS.....	181
TRANSFER RESTRICTIONS.....	185
THE SECURITIES MARKET OF INDIA	187
DESCRIPTION OF THE EQUITY SHARES	191
STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS	196
LEGAL PROCEEDINGS	199
OUR STATUTORY AUDITOR.....	203
GENERAL INFORMATION	204
DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE.....	206
FINANCIAL INFORMATION	207
DECLARATION	373
APPLICATION FORM	376

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and its Subsidiaries and Associates and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

The Book Running Lead Manager has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, its Subsidiaries and the Issue of the Equity Shares or distribution of this Placement Document. Each person receiving this Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or on behalf of the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on page 181 and 185, respectively.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see “*Selling Restrictions*” on page 181. Also see, “*Transfer Restrictions*” on page 185 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue, including merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Manager is not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and rules made thereunder, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz, www.jupiterwagons.com or any website directly or indirectly linked to our Company or on the website of the Book Running Lead Manager or any of its respective affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

The Company does not undertake to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance

with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” on page 181 and 185, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to “you” or “your” in this section are to the prospective investors in the Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections “*Notice to Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 1, 181 and 185, respectively, and to have represented, warranted, acknowledged to and agreed with our Company and the BRLM, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiary which is not set forth in this Placement Document;
- You are a “**Qualified Institutional Buyer**” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;
- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;
- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations.
- You will provide the information as required under the provisions of the Companies Act, 2013 the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;
- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. for more information, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 181 and 185, respectively);

- You are aware that the Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and the Placement Document has been filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;
- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
- You are aware that, our Company, the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in a fiduciary capacity;
- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the “**Company Presentations**”) with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;
- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Placement Document;
- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;
- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.
- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company, or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company’s business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiary’s present and future business strategies and environment in which our Company

or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;
- You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;
- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
- You have been provided a serially numbered copy of this Placement Document and have read it in its entirety; including, in particular, “*Risk Factors*” on page 46;
- In making your investment decision, you have (i) relied on your own examination of the Company, its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue based on information as is publicly available, and in reliance of the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;
- Neither our Company nor the BRLM nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a

view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;
- You are not a "promoter"(as defined under the Companies Act, 2013 and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our 'Promoters', or members of our 'Promoter Group' (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;
- You have no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;
- You agree that in terms of Section 42(7) of the Companies Act, 2013 and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Placement Document and other filings required under the Companies Act, 2013;
- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);
- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible, as per any applicable law;
- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;
- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:
- Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and
- 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLM nor any of their

respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;
- You understand the contents of this Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsel or advisors to the Issue has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and neither the Book Running Lead Manager nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;
- You understand that the BRLM or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- You are able to purchase the Equity Shares in accordance with the restrictions described in “*Selling Restrictions*” on page 181 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “*Selling Restrictions*” on page 181;
- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “*Transfer Restrictions*” on page 185 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “*Transfer Restrictions*” on page 185;
- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.
- You are outside the United States, and you are subscribing for the Equity Shares in an “offshore transaction” as defined in and in compliance with Regulation S, and are not our Company’s or the BRLMs’ affiliate or a person acting on behalf of such an affiliate;
- You are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;
- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Kolkata, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
- You agree to indemnify and hold our Company, the BRLM and its respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- You acknowledge that the Preliminary Placement Document did not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;
- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;
- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;
- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate;
- Our Company, the BRLM, its respective affiliates, directors, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM; and
- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLM, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as “**P-Notes**”), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis (“**Investment Restrictions**”). The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;
- (2) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to Jupiter Wagons Limited on a standalone basis and references to 'we', 'us' or 'the Group' are to Jupiter Wagons Limited together with its Subsidiaries and Joint Ventures on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Placement Document, all references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India and '\$', 'USD' and 'Dollar' are legal currency of United States of America. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

All the numbers in this Placement Document have been presented in ₹ lakhs, unless stated otherwise. Financial statements in our Audited Financial Statements and Consolidated Unaudited Financial Results, are presented in ₹lakhs. In this Placement Document, references to "Lakhs" or "Lacs" represents "100,000", "million" represents "10 lakh" or "1,000,000", "Crore" represents "10,000,000" or "10 million" or "100 lakhs", and "billion" represents "1,000,000,000" or "1,000 million" or "100 Crore".

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Placement Document are to the page numbers of this Placement Document.

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company reports its financial statements in Indian Rupees.

Our Company has published its audited consolidated financial statements for the Fiscal 2022, audited financial statements for the Fiscal 2021 and Fiscal 2020 and the Consolidated Unaudited Financial Results as at and for the nine months ended December 31, 2022 and Unaudited Financial Results as at and for the nine months ended December 31, 2021 in Indian Rupees in lakhs. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

- audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial years ended March 31, 2022, prepared in accordance with the Indian Accounting Standard (referred to as “**Ind AS**”), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act, 2013 (the “**Fiscal 2022 Consolidated Audited Financial Statements**”) together with the report issued by our Statutory Auditors, Walker Chandiook & Co. LLP, have been included in this Placement Document;
- audited financial statements of our Company as at and for the financial years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act, 2013 (collectively, the “**Fiscal 2021 and Fiscal 2020 Audited Financial Statements**”) together with the respective reports issued by our Statutory Auditors, Walker Chandiook & Co. LLP and our previous Statutory Auditors, BSR Co. & LLP, respectively have been included in this Placement Document. Fiscal 2022 Consolidated Audited Financial Statements and Fiscal 2021 Audited Financial Statements and Fiscal 2020 Audited Financial Statements are collectively referred at Audited Financial Statement;
- Consolidated unaudited financial results of our Company and its subsidiaries as at and for the nine-months ended December 31, 2022 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (“**Ind AS 34**”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations (the “**Consolidated Unaudited Financial Results**”), together with their report issued by our Statutory Auditors, Walker Chandiook & Co. LLP, have been included in this Placement Document.

For financials of Fiscal 2021 please refer to Financial Statements of Fiscal 2022 and for financials of Fiscal 2020 please refer to Financial Statements of Fiscal 2020. Details of Fiscal 2021 and Fiscal 2020 have been taken from audited financials of Fiscal 2022 and Fiscal 2020, respectively. Further, consolidated financial statements for Fiscal 2021 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2021 means the restated consolidated financial statement for Fiscal 2021 and therefore results of operations and financial conditions for the Fiscal 2021 is not strictly comparable to Fiscal 2020 due to amalgamated business and operations, enhanced assets, suppliers, and customer base.

The Consolidated Unaudited Financial Results have been subjected to limited review by our Statutory Auditors Walker Chandiook & Co. and they have issued their report dated February 14, 2023, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India (“**ICAI**”).

The Audited Financial Statements should be read along with the respective audit reports, and the Consolidated Unaudited Financial Results should be read along with the respective review reports. Further, our Consolidated Unaudited Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”) and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited. Also see, “*Risk Factors – Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors’ assessments of our financial condition.*” on page 62.

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 84. All numerical and financial information as set out and presented in this Placement

Document, except for the information in the section “*Industry Overview*”, for the sake of consistency and convenience have been rounded off or expressed in two decimal place in ₹ lakh. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given. The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular ‘Financial Year’, ‘Fiscal Year’ or ‘Fiscal’ or ‘FY’ are to the twelve months period ended on March 31 of that year.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity, Interest Coverage Ratio, ROCE, RONW, PAT Margins, etc. (together referred as “Non-GAAP Measures”) presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in “*Financial Information*” starting on page 207.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled “*Industry Research Report on Railway Infrastructure, Shipping Container & Commercial Vehicle Industries*” prepared by CARE Advisory Research and Training Limited dated February 6, 2023 (“**CARE Report**”).

This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors – This placement document contains information from an industry report which we have commissioned from Care Advisory Research and Training Limited.*” on page 57. Thus, neither our Company nor the Book Running Lead Manager can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of the CARE Report

The CARE Report is subject to the following disclaimer:

This report is prepared by CARE Advisory Research and Training Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research’s proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'will', 'plan', 'objective', 'potential', 'project', 'pursue', 'seek to', 'shall', 'should', 'will', 'would', 'will likely result', 'will continue', 'will pursue', 'will achieve', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document regarding matters that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- We depend on a limited number of customer groups for a significant portion of our revenue and the loss of any of our major customer groups due to any adverse development or significant reduction in business from our major customer groups may adversely affect our business, financial condition, results of operations, cash flow and future prospects.
- We are subject to various laws, regulations, approvals and licenses required in the ordinary course of business, including environmental, health and safety laws and other regulations.
- We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows.
- We primarily rely on purchase orders to govern the volume and other terms of the sales of our products. We do not have long-term supply agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.
- We are subject to strict quality standards. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.
- Volatility in the supply of our raw materials may have an adverse effect on our business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's*

Discussion and Analysis of Financial Condition and Results of Operations”, “*Industry Overview*” and “*Business*” and on pages 46, 84, 106 and 139, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor the Book Running Lead Manager nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. Majority of our Directors and key managerial personnel of our Company named herein are residents of India and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US Dollar

	(₹ per US\$)			
	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal Ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Months ended:				
March 31, 2023	82.22	82.29	82.68	81.74
February 28, 2023	82.68	82.61	82.91	81.85
January 31, 2023	81.74	81.90	82.91	81.22
December 31, 2022	82.79	82.46	82.92	81.15
November 30, 2022	81.60	81.81	82.88	80.65
October 31, 2022	82.39	82.34	83.20	81.43

Source: www.rbi.org.in and www.fbil.org.in, as applicable.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:

1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments thereto, from time to time

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section “*Statement of Possible Special Tax Benefits*”, “*Industry Overview*”, “*Financial Information*” and “*Legal Proceedings*” beginning on page 196, 106, 207 and 199, respectively, shall have the meaning given to such terms in such sections.

General and Company Related Terms

Term	Description
“Issuer”, “Company”, “Company”, “Company”	“JWL”, “Our “the Unless the context otherwise indicates or implies, refers to Jupiter Wagons Limited, a limited company incorporated under the Companies Act, 1956 having its registered office at 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur - 482001, Madhya Pradesh, India and corporate office at 4/2, Middleton Street, Kolkata – 700071, West Bengal, India.
“we”, “us” or “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, namely Habitation Realestate LLP and Jupiter Electric Mobility Private Limited and our joint ventures, namely JWL Dako Cz India Limited, JWL Talegria (India) Private Limited and JWL Kovis (India) Private Limited on a consolidated basis.
Audit Committee	The audit committee of our Board of Directors
Articles or Articles of Association	Articles of association of our Company, as amended from time to time.
Audited Financial Statements	Collectively Fiscal 2022 Consolidated Audited Financial Statements and Fiscal 2021 and Fiscal 2020 Audited Financial Statements.
Auditors / Statutory Auditors	Statutory auditors of our Company namely Walker Chandiook & Co LLP.
Associates	The associates of our Company namely JWL Dako Cz India Limited, JWL Talegria (India) Private Limited and JWL Kovis (India) Private Limited.
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof.
CARE Report	The report titled “ <i>Industry Research Report on Railway Infrastructure, Shipping Container & Commercial Vehicle Industries</i> ”, dated February 6, 2023 prepared by CARE Advisory Research and Training Limited and commissioned by our Company from CARE.
Chief Financial Officer	The chief financial officer of our Company, being Sanjiv Keshri.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Deepesh Kedia.
Director(s)	The director(s) of our Company presently on our Board.
Equity Share(s)	The equity shares of our Company of face value of ₹ 10 each.
Financial Statements	Collectively, Audited Financial Statements and Consolidated Unaudited Financial Results.
Fiscal 2022 Consolidated Audited Financial Statements	Audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial years ended March 31, 2022, prepared in accordance with the Indian Accounting Standard (referred to as “ Ind AS ”), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act, 2013 together with the report issued by our Statutory Auditors, Walker Chandiook & Co. LLP.

Term	Description
Fiscal 2021 and Fiscal 2020 Audited Financial Statements	Audited financial statements of our Company as at and for the financial years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and other relevant provisions of the Companies Act, 2013 together with the respective reports issued by our Statutory Auditors, Walker Chandiook & Co. LLP and our previous Statutory Auditors, BSR Co. & LLP, respectively.
Independent Director(s)	The independent Director(s) of our Company as per section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, being Madhuchhanda Chatterjee, Avinash Gupta, Prakash Yashwant Gurav, Manchi Venkatraja Rao and Ganesan Raghuram.
Managing Director	The managing director of our Company, being Vivek Lohia.
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors.
Promoter(s)	Murari Lal Lohia; Usha Lohia; Vivek Lohia; Ritu Lohia; Vikash Lohia; Shradha Lohia; Murari Lal Lohia HUF; Karisma Goods Private Limited; Jupiter Metal Spring Private Limited; Anish Consultants & Credits Private Limited, Jupiter Forgings & Steel Private Limited, Riddles Marketing Private Limited and Tatravagonka A.S.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Qualified Institutions Placement Committee	The qualified institutions placement committee constituted by our Board of Directors.
Registered Office	48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur - 482001, Madhya Pradesh, India.
“Registrar of Companies” / “RoC”	The Registrar of Companies, Madhya Pradesh at Gwalior.
Risk Management Committee	The risk management committee constituted by our Board of Directors.
Scheme of Arrangement	Scheme of amalgamation dated September 28, 2020, and approved vide orders of the National Company Law Tribunal, Kolkata Bench dated February 28, 2022, and National Company Law Tribunal, Indore Bench dated May 13, 2022, wherein erstwhile Jupiter Wagons Limited was amalgamated into and with Commercial Engineers & Body Builders Co Limited with an appointed date being October 1, 2019.
Senior Management Personnel	Senior management personnel of our Company, as disclosed in “ <i>Board of Directors and Senior Management Personnel</i> ” on page 148.
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time.
Subsidiaries	The subsidiaries of our Company namely Jupiter Electric Mobility Private limited and Habitation Realestate LLP.
Consolidated Unaudited Financial Results	Consolidated unaudited financial results of our Company and its Subsidiaries as at and for the nine-months ended December 31, 2022 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (“ Ind AS 34 ”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations, together with their report issued by our Statutory Auditors, Walker Chandiook & Co. LLP.

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue.
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue.
Application Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form.
Application Form	The form (including any revisions thereof) submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period.
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly.
Bid/Issue Closing Date	May 15, 2023, the date after which our Company (or BRLM on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount.
Bid/Issue Opening Date	May 10, 2023, the date on which our Company (or the BRLM on behalf of our Company) commenced the acceptance of the Application Forms and the Application Amount.
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids including any revision and/or modifications thereof.
Bidder(s)	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Book Running Lead Manager/ BRLM	Systematix Corporate Services Limited.
CAN / Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders.
CARE	CARE Advisory Research and Training Limited.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about May 15, 2023.
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee's demat account, as applicable to the respective Allottee.
Eligible FPIs	PIs under FEMA, the SEBI FPI Regulations and any other applicable law, that are eligible to participate in the Issue, other than individuals, corporate bodies and family offices.
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Agent/ Escrow Bank	Axis Bank Limited
Escrow Agreement	Agreement dated May 10, 2023 entered into amongst our Company, the Escrow Agent and the BRLM for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the unsuccessful Bidders.
Escrow Account	Special non-interest bearing, no-lien, escrow bank account without any cheques or overdraft facilities, opened with the Escrow Agent by our Company in the name and style of "Jupiter Wagons Limited QIP Escrow Account", subject to the terms

Term	Description
	of the Escrow Agreement, into which the Application Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted, as set out in the Application Form.
Floor Price	The floor price of ₹109.12 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company offered a discount of 4.92% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The offer, issue and allotment of 1,20,39,611 Equity Shares at a price of ₹ 103.75 per Equity Share, including a premium of ₹ 93.75 per Equity Share, aggregating to ₹ 12,491.10 lakh to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of Companies Act, 2013 and the rules made thereunder.
Issue Price	₹ 103.75 per Equity Share
Issue Size	The issue of 1,20,39,611 Equity Shares aggregating to ₹ 12,491.10 lakhs.
Monitoring Agency	Care Ratings Limited
Monitoring Agency Agreement	Agreement dated May 10, 2023 entered into amongst our Company and the Monitoring Agency.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue.
Placement Agreement	Agreement dated May 10, 2023 entered into amongst our Company and the BRLM.
Placement Document	This placement document dated May 15, 2023 issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
Preliminary Placement Document	The preliminary placement document cum application form dated May 10, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and other applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue.
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Relevant Date	May 10, 2023, which is the date of the meeting of the Qualified Institutions Placement Committee of the Board, a committee duly authorised by our Board, deciding to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai and Kolkata, India or a trading day of the Stock Exchanges, as applicable.

Technical and Industry Related Terms

Terms	Description
AFTO	Automobile Freight Train Operator
ATO	Automatic Train Operator
ATP	Automatic Train Protection
ATS	Automated Testing Stations
BIS	Bureau of Indian Standards
CAGR	Compound Annual Growth Rate
CBTC	Communication Based Train Control
CEEW	Council of Energy & Environment & Water
CMS	Cast Manganese Steel
CO2	Carbon Dioxide
CONCOR	Container Corporation of India
CRT	Container Rail Terminals
CV	Commercial Vehicle
DFC	Dedicated Freight Corridor
DFCCIL	Dedicated Freight Corridor Corporation of India Limited
EoTT	End of Train Telemetry
ESG	Environmental, social and governance
EV	Electric Vehicles
FDI	Foreign Domestic Investment
GCT Policy	Gati Shakti Multi-modal Cargo Terminal Policy
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GQ/GD routes	Golden Quadrilateral-Golden Diagonal routes
GVA	Gross Value Added
GVW	Gross Vehicle Weight
HCV	Heavy Commercial Vehicles
ICD	Inland Container Depot
IIP	Index of Industrial Production
IMC	Inter-Ministerial Committee
IMF	International Monetary Fund
IMF	International Monetary Fund
IT	Information Technology
JNPT	Jawaharlal Nehru Port in Mumbai
LCV	Light Commercial Vehicle
LHB	Linke-Hoffman-Busch
LWIS	Liberalized Wagon Investment Scheme
MCV	Medium Commercial Vehicles
MNC	Multi-National Company
MSME	Micro, Small & Medium Enterprises
NDC	Nationally Determined Contribution
NIP	National Infrastructure Pipeline
NRP	National Rail Plan
NTC	New Track Construction
OEM	Original Equipment Manufacturer
OHE	Overhead Equipment Work
PDD	Pre-Departure Detention
PLI scheme	Production Linked Incentive scheme
PPP	Purchasing Power Parity
PSU	Public Sector Undertaking
PTC	Positive Train Control
PV	Private Vehicle
RDSO	Research Design and Standards Organization
Ro-Ro services	Roll-on, Roll-off services
SCV	Small Commercial Vehicle
SWOT analysis	Strengths, Weaknesses, Opportunities, and Threats analysis

Terms	Description
TPWS	Train Protection and Warning System
UNFCCC	United Nations Framework Convention on Climate Change
WEO	World Economic Outlook
WLS	Wagon Leasing Scheme
Y-o-Y	Year-on-Year

Conventional and General Terms/Abbreviations

Terms	Description
₹ / Rs. / Re./ Rupees / INR	Indian Rupee
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as required under the Companies Act.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): $(\text{End Year Value}/\text{Base Year Value})^{(1/\text{No. of years between Base year and end year})} - 1$ (^ denotes 'raised to')
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996, as amended
Depository	NSDL and CDSL, depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBIT	Earnings Before Interest and Tax
EGM	Extraordinary General Meeting
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization and impairment excluding other income
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
“Financial Year” / “Fiscal Year” / “Fiscal” / “FY”	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs

Terms	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross domestic product
“GoI” / “Government”	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
“Lakh”/” Lac”	Lakhs
MCA	Ministry of Corporate Affairs, GoI
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
“Non-Resident Indian(s)” / “NRI”	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing	The Securities and Exchange Board of India (Listing Obligations and Disclosure

Terms	Description
Regulations	Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
TDS	Tax deducted at source
“USA” or “U.S.” or “United States”	The United States of America, its territories and possessions, and State of the United States and the District of Columbia
U.S. GAAP	Generally accepted accounting principles in the United States of America
\$/ U.S.\$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act / Securities Act	The United States Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

We are one of the premier manufacturers of railway wagons, components, and castings for passenger coaches and freight wagons in India. We are counted among one of the top manufacturers of advanced railway transportation equipment worldwide. Over the last decades, we have emerged as a one-stop solutions provider for passenger coaches and freight wagons in India. We design and manufacture application-based load bodies for commercial vehicles. Our product offerings include tippers, trailers for mining, infrastructure and construction, other applications include disposers for municipalities as well as private companies, refrigerated vans, special purpose defence vehicles, reconnaissance vehicles, RAF vehicles, water and oil tankers so on and so forth.

We complement and supplement EPC projects with our heavy fabrication capabilities and experience in the steel fabrication sector. We have expanded our product offerings with manufacturing of containers for surface and marine cargo in almost all classified ISO standard range as well as special and customized varieties comprised of refrigerated ones.

We have an alliance with the leading railway engineering company in the European Union named Tatravagonka Poprad. Our joint venture projects for High Speed LHB Passenger Train Brake System with DAKO-CZ (Czech Republic) has been fully operational with all due approvals received from the Indian Railway. Our second Joint Venture with Kovis Proizvodna (Slovenia) for manufacture of Brake Discs duly approved by the Indian Railways, for all types of Passenger Trains including LHB, Vande Bharat, Metro Coaches with further capacity for export to the global markets. For all high-speed railway corridors, our third Joint Venture Company with Talleres Alegria S.A (Spain) will produce Flash Butt-Welded CMS Crossings.

We commenced our business as a manufacturer of application-based load bodies for commercial vehicles in the year 1979, through erstwhile Commercial Engineers & Body Builders Co Limited (“**CEBBCO**”) and diversified into manufacturing of locomotive bodies for road and railway transportation, wagons and ISO marine containers for domestic and international use. The present management of the Company, through the erstwhile Jupiter Wagons Limited had invested in CEBBCO in 2019. Pursuant to the scheme of amalgamation dated September 28, 2020 (“**Scheme of Amalgamation**”) and order dated May 13, 2022 passed by the National Company Law Tribunal, Indore Bench and order dated February 28, 2022 by the National Company Law Tribunal, Kolkata Bench (“**NCLT Orders**”), the business of erstwhile Jupiter Wagons Limited, leading manufacturer of freight wagons and railway components was amalgamated with the business of CEBBCO and the name of our Company was changed to “Jupiter Wagons Limited”.

We are led by experienced Promoters and Management, some of whom have significant experience and proven track record in the wagon industry. Our Chairman Emeritus, Shri Murari Lal Lohia has extensive leadership experience in the wagon industry. Further, our Managing Director, Vivek Lohia and our Whole-time Director, Vikash Lohia have an experience of approximately 15 years in the wagon industry. We believe that our market position is a result of the vision of our senior management team and their collective experience in the wagon industry.

Broadly, we divide our business into two parts – one that includes products related to railways (“**Rail mobility**”) which contributes approximately 72.72% of the total revenue of our Company as per the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2022 and the other that includes products related to application-based load bodies for commercial vehicles & containers (“**Non-Rail mobility**”).

SUMMARY OF THE ISSUE

The following is a general summary of the term of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under the sections “*Risk Factors*”, “*Use of Proceeds*”, “*Placement and Lock Up*”, “*Issue Procedure*” and “*Description of the Equity Shares*” beginning on pages 46,74,179,164 and 191, respectively.

Issuer	Jupiter Wagons Limited
Face Value	₹ 10 per Equity Share
Issue Price	₹ 103.75 per Equity Share (including a premium of ₹ 93.75 per Equity Share)
Floor Price	₹ 109.12 per Equity Share calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations.
	In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company offered a discount of 4.92% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed through a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of 1,20,39,611 Equity Shares aggregating to ₹12,491.10 lakh.
	A minimum of 10 % of the Issue Size i.e. 12,03,961 Equity Shares made available for Allocation to Mutual Funds only, and balance 1,08,35,650 Equity Shares made available for Allocation to all Eligible QIBs, including Mutual Funds.
Date of Board Resolution approving the Issue	December 17, 2022
Date of Shareholders’ Resolution approving the Issue	January 22, 2023
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form have been delivered and who are eligible to bid and participate in the Issue. For further details, see “ <i>Issue Procedure</i> ”, “ <i>Selling Restrictions</i> ” and “ <i>Transfer Restrictions</i> ” on pages 164, 181 and 185, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form was delivered has been determined by our Company in consultation with the Book Running Lead Manager.
Dividend	Please see section “ <i>Description of the Equity Shares</i> ”, “ <i>Dividends</i> ” and “ <i>Statement of Possible Special Tax Benefits</i> ” on pages 191, 83 and 196.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For further details, see “ <i>Issue Procedure</i> ” on page 164.
Taxation	Please see section “ <i>Statement of Possible Special Tax Benefits</i> ” on page 196.
Equity Shares issued and outstanding immediately prior to the Issue	38,74,47,419 Equity Shares, being fully paid-up.
Equity Shares issued and outstanding immediately after the Issue	39,94,87,030 Equity Shares, being fully paid-up.
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated May 10, 2023 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

	Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.	
Lock-up	For details of the lock-up, see “ <i>Placement and Lock-up</i> ” on page 179.	
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please see section “ <i>Transfer Restrictions</i> ” and “ <i>Selling Restrictions</i> ” on pages 185 and 181, respectively.	
Use of Proceeds	The gross proceeds of the Issue will aggregate to approximately ₹12,491.10 lakh. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹12,038.44 lakh. See “ <i>Use of Proceeds</i> ” on page 74 for information regarding the use of Net Proceeds from the Issue.	
Risk Factors	Please see section “ <i>Risk Factors</i> ” on page 46 for a discussion of risks you should consider before investing in the Equity Shares.	
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about May 15, 2023.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act, 2013. Please see sections “ <i>Dividends</i> ” and “ <i>Description of the Equity Shares</i> ” on pages 83 and 191, respectively.	
Security Codes/ Symbols for the Equity Shares	ISIN	INE209L01016
	BSE Code	533272
	NSE Symbol	JWL

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the Audited Financial Statements and Consolidated Unaudited Financial Results included in “*Financial Information*” on pages 84 and 207, respectively.

[The remainder of this page has been left intentionally left blank]

Consolidated Balance Sheet as on March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	39,509.88	38,419.44
Right of use assets	109.62	117.35
Capital work-in-progress	2,219.79	2,053.28
Goodwill	2,041.60	2,041.60
Intangible assets	1,102.77	1,238.90
Intangible assets under development	-	18.75
Financial assets		
(i) Investment	801.85	203.42
(ii) Bank balances	723.72	283.85
(iii) Loans	46.32	40.73
(iv) Other financial assets	276.07	243.01
Deferred tax assets (net)	2,709.72	5,309.48
Non-current tax assets (net)	211.36	138.41
Other non-current assets	584.38	381.35
Total non-current assets	50,337.08	50,489.57
Current assets		
Inventories	31,942.99	24,429.53
Financial assets		
(i) Trade receivables	7,098.61	7,212.19
(ii) Cash and cash equivalents	4,069.91	4,704.67
(iii) Bank balances other than (ii) above	2,819.69	2,431.28
(iv) Loans	55.84	61.43
(v) Other financial assets	2,475.78	1,952.31
Current tax assets (net)	38.38	71.63
Other current assets	8,402.34	7,692.63
Assets held for sale	-	70.00
Total current assets	56,903.54	48,625.67
Total assets	107,240.62	99,115.24
EQUITY AND LIABILITIES		
Equity		
Equity share capital	38,744.74	38,744.74
Other equity	29,524.56	24,555.41
Total equity	68,269.30	63,300.15
Non-controlling interests	17.76	19.35
Total	68,287.06	63,319.50
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	2,749.61	3,266.90
(ii) Lease liabilities	41.84	42.35
Provisions	300.79	296.55
Total non-current liabilities	3,092.24	3,605.80
Current liabilities		
Financial liabilities		
(i) Borrowings	11,125.25	10,458.79
(ii) Lease liabilities	0.51	0.44
(iii) Trade payables		
(a) Total outstanding dues of Micro and Small Enterprises	563.28	490.84

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	13,805.30	13,659.62
(iv) Other financial liabilities	407.17	332.28
Other current liabilities	9,122.24	6,391.02
Provisions	313.80	211.19
Current tax liabilities (net)	523.77	645.76
Total current liabilities	35,861.32	32,189.94
Total equity and liabilities	107,240.62	99,115.24

Consolidated Profit and Loss Account for the years ended as on March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1 Revenue from operations	117,835.40	99,575.02
2 Other Income	339.14	183.22
3 Total Income (1+2)	118,174.54	99,758.24
4 Expenses		
a) Cost of materials consumed	91,688.65	73,962.83
b) Change in inventories of work-in-progress	(2,004.25)	198.99
c) Employee benefits expense	3,382.97	2,620.43
d) Finance costs	1,816.69	2,111.94
e) Depreciation and amortisation expense	2,337.67	2,117.50
f) Other expenses	13,357.37	12,160.06
Total expenses	110,579.10	93,171.75
5 Profit before share in net profit / (loss) of joint ventures and tax (3-4)	7,595.44	6,586.49
6 Share in loss in Joint ventures	(31.02)	(7.19)
7 Profit before tax (5+6)	7,564.42	6,579.30
8 (a) Tax expense		
Current tax expenses	-	-
Tax adjustment related to earlier years	-	26.74
Deferred tax	2,598.93	1,212.93
Total tax expense	2,598.93	1,239.67
9 Profit for the year / period (7-8)	4,965.49	5,339.63
10 Other Comprehensive Income (OCI)		
Items that will not be reclassified subsequently to profit and loss		
Remeasurements of the defined benefit plans	2.40	(72.20)
Income tax relating to these items	0.83	(25.23)
Total Other Comprehensive income for the year / period	1.57	(46.97)
11 Total Comprehensive income for the year / period	4,967.06	5,292.66
12 Profit / (loss) attributable to:		
- Owners	4,967.58	5,339.96
- Non-controlling interests	(2.09)	(0.33)
Other Comprehensive income/(loss) attributable to:		
- Owners	1.57	(46.97)
- Non-controlling interests	-	-
Total Comprehensive income/(loss) attributable to:		
- Owners	4,969.15	5,292.99
- Non-controlling interests	(2.09)	(0.33)
13 Paid-up equity share capital (Face value ₹10/- each)	38,744.74	38,744.74
14 Earnings per share (EPS) (of ₹10/- each)		

Particulars	As at March 31, 2022	As at March 31, 2021
(EPS for the quarter ended are not annualised)		
- Basic	1.28	1.49
- Diluted	1.28	1.49

Consolidated Cash Flow Statement for the years ended March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash flow from operating activities		
Profit before tax	7,595.44	6,586.49
Adjustments for:		
Depreciation and amortisation	2,337.67	2,117.50
Profit on disposal of assets	(17.39)	(3.25)
Bad debt written off	8.72	-
Allowance for doubtful debt, unbilled receivables and advances	42.92	7.00
Deposits written off	-	251.62
Unrealised (gain) / loss on foreign exchange fluctuation	(6.74)	9.97
Liabilities / provisions no longer required written back	(162.68)	(86.27)
Fair value (gain) / loss on mutual funds	(0.11)	0.04
Dividend income	(1.19)	(0.48)
Interest income	(140.54)	(86.71)
Finance cost	1,816.69	2,111.94
Operating cash flow working capital changes	11,472.79	10,907.85
Changes in assets and liabilities		
(Increase) in inventories	(7,513.46)	(5,937.66)
Decrease/ (increase) in trade receivables	72.03	(3,457.82)
(Increase) in loans	-	(16.98)
(Increase) in other financial assets	(534.56)	(1,130.24)
(Increase) in other assets	(730.81)	(348.38)
Increase in trade payables	260.03	2,560.73
Increase in other financial liabilities	116.11	63.03
Increase in other liabilities	2,858.54	4,480.85
Increase / (Decrease) in provisions	109.25	(51.01)
Cash generated from operations	6,109.92	7,070.37
Income-taxes paid	(158.00)	(332.80)
Net cash provided by operating activities (A)	5,951.92	6,737.57
Cash flow from investing activities		
Purchase of property, plant and equipment, capital work in progress and intangibles assets	(3,668.38)	(2,999.78)
Proceeds from assets held for sale	77.50	32.75
Proceeds from sale of property, plant and equipment	31.07	-
Investment in bank deposits (having original maturity more than 3 months)	(828.28)	(2,880.89)
Investment in shares of other entity	(614.05)	(175.60)
Investment in mutual fund	(1.06)	(33.43)
Dividend received	1.19	0.48
Interest received	91.26	36.76
Net cash used in investing activities (B)	(4,910.75)	(6,019.72)
Cash flow from financing activities		
Proceeds from issue of equity share capital	-	8,500.00
Proceeds/ (repayment) from short term borrowings (net)	341.27	(1,328.92)

Particulars	As at March 31, 2022	As at March 31, 2021
Repayment of long term borrowings	(1,198.39)	(3,303.48)
Proceed from long term borrowings	1,000	500
Repayment of lease liabilities	(6.06)	(7.86)
Finance cost paid		
- on borrowings	(1,286.08)	(1,838.34)
- on others	(526.67)	(282.29)
Net cash (used in) / generated from financing activities (C)	(1,675.93)	2,239.11
Net cash flow during the year (A+B+C)	(634.76)	2,956.96
Cash and cash equivalents at the beginning of the year	4,704.67	1,747.71
Cash and cash equivalents at the end of the year	4,069.91	4,704.67
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	4,054.47	4,694.55
Cash on hand	15.44	10.12
Cash and cash equivalents at the end of the year	4,069.91	4,704.67

Standalone Balance Sheet as on March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020
ASSETS	
Non-current assets	
Property, plant and equipment	10,948.72
Capital work-in-progress	555.39
Right of use assets	120.87
Intangible assets	35.54
Intangible assets under development	19.50
Investment in joint venture	-
Financial assets	
(i) Investment	-
(ii) Bank balances	-
(iii) Loans	56.10
Non-current tax assets (net)	21.51
Other non-current assets	187.61
Total non-current assets	11,945.24
Current assets	
Inventories	4,757.01
Financial assets	
(i) Trade receivables	1,110.56
(ii) Cash and cash equivalents	282.05
(iii) Bank balances other than (ii) above	168.25
(iv) Loans	199.43
(v) Other financial assets	41.03
Current tax assets (net)	73.63
Other current assets	1,312.46
Total current assets	7,944.42
Assets held for sale	99.50
Total assets	19,989.16
EQUITY AND LIABILITIES	
Equity	
Equity share capital	8,948.27
Other equity	595.93
Total equity	9,544.20
Liabilities	
Non-current liabilities	
Financial liabilities	
(i) Borrowings	2,690.01
(ii) Lease liabilities	42.78
(iii) Other financial liabilities	5.10
Provisions	124.98
Total non-current liabilities	2,862.87
Current liabilities	
Financial liabilities	
(i) Borrowings	2,083.55
(ii) Lease liabilities	0.39
(iii) Trade payables	
(a) Total outstanding dues of Micro and Small Enterprises	27.78
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	3,412.94

Particulars	As at March 31, 2020
(iv) Other financial liabilities	470.32
Other current liabilities	1,453.33
Provisions	151.78
Total current liabilities	7,582.09
Total equity and liabilities	19,989.16

Standalone Profit and Loss Account for the year ended as on March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020
1 Revenue from operations	12,574.39
2 Other Income	329.35
3 Total Income (1+2)	12,903.74
4 Expenses	
a) Cost of materials consumed	12,072.33
b) Change in inventories of work-in-progress	(2,090.02)
c) Employee benefits expense	901.98
d) Finance costs	617.17
e) Depreciation and amortisation expense	831.74
f) Other expenses	1,481.41
Total expenses	13,814.61
5 Profit / (Loss) before tax and exceptional items (3-4)	(910.87)
6 Exceptional items	655.12
7 Profit/ (Loss) before tax (5+6)	(255.75)
8 Tax expense / (credit)	
(a) Current tax expenses	-
(b) Tax adjustment related to earlier years	(241.78)
9 Profit / (Loss) after tax (7-8)	(13.97)
10 Other Comprehensive Income (OCI)	
Items that will not be reclassified subsequently to profit or loss	
Remeasurements of the defined benefit plans (net of taxes)	(27.37)
Total Other Comprehensive loss for the period/ year	(27.37)
11 Total Comprehensive income / (loss) for the period/ year (9+10)	(41.34)
12 Paid-up equity share capital (face value ₹10/- each)	8,948.27
13 Reserves excluding revaluation reserves	595.93
14 Earnings / (Loss) per share (face value of ₹10/ each) (not annualised)	
- Basic	(0.02)
- Diluted	(0.02)

Standalone Cash Flow Statement for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020
Cash flow from operating activities	
Profit/(Loss) before tax	(255.75)
Adjustments for:	
Depreciation and amortisation expense	831.74
Profit on sale of property, plant and equipment	(0.92)
Profit on disposal of asset held for sale	-
Provision for doubtful advances	32.31
Provision for doubtful debt	-
Fair value loss on financial assets	-
Investment written off	0.10
Liabilities / provisions no longer required written back	(279.37)
Exceptional items	(655.12)
Interest income	(47.99)
Dividend income	
Finance costs	617.17
Cash flows from operating activities before working capital changes	242.17
Changes in assets and liabilities	
(Increase) in inventories	(3,312.58)
(Increase)/ decrease in trade receivables, financial assets and other assets	2,682.01
Increase/ (decrease) in trade payable, financial liabilities and other liabilities	(1,133.21)
(Decrease)/ increase in provisions	55.48
Cash generated from/ (used in) operations	(1,466.13)
Income-taxes paid (net of refund)	(8.59)
Net cash generated from/ (used) in operating activities (A)	(1,474.72)
Cash flow from investing activities	
Purchase of property, plant and equipment (net)	(1,220.64)
Investment in bank deposits (having original maturity more than 3 months)	(80.99)
Investment in shares of other entity	-
Investment in mutual fund	-
Interest received	47.25
Dividend received	-
Net cash used in investing activities (B)	(1,254.38)
Cash flow from financing activities	
Proceeds from short term borrowings	2,083.55
Repayment of short term borrowings	(462.55)
Repayment of long term borrowings	(285.24)
Repayment of lease liabilities	(0.34)
Finance cost paid	(626.94)
Net cash generated from financing activities (C)	708.48
Net cash flow [increase/ (decrease)] during the year (A+B+C)	(2,020.62)
Cash and cash equivalents at the beginning of the year	2,302.67
Cash and cash equivalents at the end of the year	282.05
Components of cash and cash equivalents	
Balances with scheduled banks:	
- Current accounts	10.55

Particulars	As at March 31, 2020
- Cash credit account	261.27
Cash and gold coins on hand	10.23
Cash and cash equivalents at the end of the year	282.05

Consolidated unaudited statement of profit and loss for the nine months ended December 31, 2022 and December 31, 2021

(₹ in lakhs)

Particulars	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
1 Revenue from operations	1,35,654.72	81,574.55
2 Other Income	407.91	235.91
3 Total Income (1+2)	1,36,062.63	81,810.46
4 Expenses		
a) Cost of materials consumed	1,04,471.11	63,005.73
b) Change in inventories of work-in-progress and finished goods	(1,952.35)	(1,679.55)
c) Employee benefits expense	3,064.76	2,435.83
d) Finance costs	2,016.37	1,333.91
e) Depreciation and amortisation expense	1,878.10	1,747.23
f) Other expenses	14,087.50	9,526.17
Total expenses	1,23,565.49	76,369.32
5 Profit before share in net profit / (loss) of joint ventures and tax (3-4)	12,497.14	5,441.14
6 Share in loss in Joint ventures	(204.26)	(14.04)
7 Profit before tax (5+6)	12,292.88	5,427.10
8 Tax expense		
Current tax (net)	-	-
Deferred tax	4,146.75	1,839.69
Total tax expense	4,146.75	1,839.69
9 Profit for the year / period (7-8)	8,146.13	3,587.41
10 Other Comprehensive Income (OCI)		
Items that will not be reclassified subsequently to profit and loss		
Remeasurements of the defined benefit plans	65.09	62.48
Income tax relating to these items	22.75	21.83
Total Other Comprehensive income for the year / period	42.34	40.65
11 Total Comprehensive income for the year / period	8,188.47	3,628.06
12 Profit / (loss) attributable to:		
- Owners	8,157.26	3,587.64
- Non-controlling interests	(11.13)	(0.23)
Other Comprehensive income/(loss) attributable to:		
- Owners	42.34	40.65
- Non-controlling interests	-	-
Total Comprehensive income/(loss) attributable to:		
- Owners	8,199.60	3,628.29
- Non-controlling interests	11.13	(0.23)
13 Paid-up equity share capital (Face value ₹10/- each)	38,744.74	38,744.74

Particulars	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
14 Earnings per share (EPS) (of ₹10/- each)		
(EPS for the quarter ended are not annualised)		
- Basic	2.11	0.93
- Diluted	2.11	0.93

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) the nine months ended December 31, 2022; (ii) Fiscal 2022; (iii) Fiscal 2021; and (iv) Fiscal 2020, as per the requirements in accordance with Indian Accounting Standard (“*Ind AS*”) notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see “*Financial Information –Related Party Disclosures*” on page 207.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 139, 106, 84 and 207, respectively, as well as the other financial and statistical information contained in this Placement Document. In making an investment decision, you must rely on your own examination of us and our business and the terms of the Issue including the merits and risks involved.

You should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2020, 2021 and 2022 included herein is derived from the Audited Financial Statements and the financial information for the nine months ended December 31, 2021 and December 31, 2022, included herein is derived from the Consolidated Unaudited Financial Results included in this Placement Document. For further information, see “Financial Information” on page 207. For financials of Fiscal 2021 please refer to Financial Statements of Fiscal 2022 and for financials of Fiscal 2020 please refer to Financial Statements of Fiscal 2020. Details of Fiscal 2021 and Fiscal 2020 have been taken from audited financials of Fiscal 2022 and Fiscal 2020, respectively. Further, consolidated financial statements for Fiscal 2021 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2021 means the restated consolidated financial statement for Fiscal 2021 and therefore results of operations and financial conditions for the Fiscal 2021 is not strictly comparable to Fiscal 2020 due to amalgamated business and operations, enhanced assets, suppliers, and customer base.

Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Jupiter Wagons Limited on a standalone basis, and references to “we”, “us”, “our”, are to Jupiter Wagons Limited on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section have been derived from the report “Industry Research Report on Railway Infrastructure, Shipping Container & Commercial Vehicle Industries” dated February 6, 2023 (the “CARE Report”) prepared and released by CARE Report and commissioned and paid by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Presentation of Financial Information and Other Conventions” on page 12.

INTERNAL RISK FACTORS

- 1. Our business and revenues are substantially dependent on Indian Railways. Any adverse change in policy of the Ministry of Railways, GOI “MoR” may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.***

Our business and revenues are substantially dependent on the policies of the MoR and operations of Indian Railways. Our Company has derived a significant portion of its revenues from the Indian Railways and for Fiscal 2022, Fiscal 2021 and Fiscal 2020 and for the nine-month period ended December 31, 2022 the total revenue from Indian Railways was ₹68,055.64 lakh, ₹70,947.77 lakh, ₹1,854.26 lakh and ₹64,129.48 lakh respectively, which represents 59.81%, 72.20%, 15.01% and 47.27%, respectively our total revenue. In

addition, approximately 28.96% of our Company's order book as at March 31, 2023 consisted of orders from the MoR. Our Company benefits from various programmes and policies of the Indian Railways which facilitate and encourage the involvement of the private sector in railway infrastructure development. These include the Liberalised Wagon Investment Scheme, the Wagon Leasing Scheme, the Automobile Freight Train Operator Scheme and the Special Freight Train Operator Scheme.

The number of wagons we supply to the Indian Railways is likely to vary from year to year, since we are not the exclusive supplier of wagons to the Indian Railways. Due to any future changes to government policy, the Indian Railways may decide to reduce their spending on the purchase of wagons or change their procurement policy. In addition, there are a number of factors, other than our performance, that are not predictable and could cause our business from the Indian Railways to reduce. For instance, wagon manufacturing is a need-based activity, which is dependent on the traffic needs and availability of funds after taking into consideration the replacement of wagons. If we are not able to continue to receive orders in the manner we have in the past from the Indian Railways, it would have a material adverse effect on our results of operations and financial conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we are subject to the risk of losing new awards to competitors thereby adversely impacting our business growth, financial condition and results of operations.

If the Indian Railways reduce their volume of business with our Company, including due to an amendment of the relevant policies to favour public sector enterprises, or a withdrawal of the programmes and policies beneficial to the private sector, or if the Indian Railways do not release any new wagon orders, our Company's business, financial condition, results of operations and prospects may be adversely affected. Any withdrawal or adverse changes in Government policies may lead to adverse impact on our on-going business and could, materially and adversely affect our financial condition, capital expenditure, revenues, development and our business operation.

2. *Our business largely depends upon our top ten customers, and the loss of such customers or a significant reduction in purchases by such customers will have a material adverse impact on our business.*

We are a business to business manufacturing company with an asymmetric dependence on a few customers. We derive a significant portion of our revenue from our top ten customers. For Fiscal 2022, Fiscal 2021, Fiscal 2020 and nine-month period ended December 31, 2022 revenue from the sale of goods to our top ten customers amounted to ₹1,13,781.31 lakh, ₹98,260.05 lakh, ₹12,356.72 lakh and ₹1,30,060.87 lakh respectively, representing 96.56%, 98.68%, 98.27% and 95.88%, respectively of our revenue from operations for the same period respectively. Loss of all or a substantial portion of sales to any of our top ten customers, for any reason (including, due to loss of contracts or failure to negotiate acceptable terms in contract renewals, loss of market share of these customers, lack of commercial success of a product whose key parts we manufacture, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements, facility shutdowns, labour strikes, geopolitical reasons or other work stoppages affecting production by such customers) and/or, continued reduction of prices for the aforementioned customers which is not off-set by an increase in volumes, could have a material adverse impact on our business, results of operations, financial condition and cash flows. The aforementioned customers may demand price reductions, change their outsourcing strategy by moving more work in house, cease purchasing our products, or replace their existing systems and components with alternative systems and components which we do not supply. There can be no assurance that we will not lose all or a portion of sales to these customers, or that we will be able to renew our agreements with any or all of these customers, or will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We are also exposed to the risk of failure by our customers to successfully launch new product variants in a timely and cost-efficient manner which could adversely affect our business, financial condition and results of operations.

3. *We depend on the Indian Railways for a significant portion of contracts in our order book which are awarded on a tender basis. There is no assurance that our bids will be accepted and future contracts will be awarded to us by Indian Railways. This may result in an adverse effect on our business growth, financial condition and results of operations.*

Our revenues in the future depend on the acceptance of bids submitted to the Indian Railways. As of March 31, 2023 our order book from the Indian Railways was ₹1,68,497.36 lakh or 28.96% of our total order book.

Our railway related projects are awarded by the Indian Railways through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We may not be selected for the projects for which we may have submitted a bid. In selecting contractors, Indian Railways generally limits the tender to contractors, who have pre-qualifications based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts. Further, once prospective bidders satisfy the prequalification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. The growth of our business mainly depends on our ability to obtain new contracts. While we have, in the past, been awarded a number of contracts, we cannot assure you that we will continue to be awarded such contracts. Some of the new entrants may also bid at lower margins in order to be awarded a contract.

4. *Volatility in the supply and pricing of our raw material may have an adverse effect on our business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.*

The principal raw material used in our manufacturing process is steel. Our cost of raw materials consumed, after adjustment of purchase of traded goods and (increase)/decrease in inventories of finished goods for the Fiscals 2022, 2021, 2020 and nine-month period ended December 31, 2022 was ₹89,684.40 lakhs, ₹74,161.82 lakhs, ₹9,982.31 lakhs and ₹1,02,518.80 lakhs, respectively which represents 76.11%, 74.45%, 79.39% and 75.57% of our revenue from operations, respectively. We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

Further, steel based raw materials are principal inputs in manufacturing wagons, application-based load bodies for commercial vehicles and containers. The prices at which we purchase steel plates and steel beams are significantly dependent on steel prices in the domestic as well as in the international markets. The prices of steel are highly volatile and cyclical in nature. Any price fluctuations in the prices of steel will adversely affect our business and financial conditions. In the event the cost of raw materials and components increases after we enter into contracts with our customers and if we are not able to pass on such price increase to our customers, we would be forced to absorb such increases. Any such absorption of increased costs would cause a material adverse impact on our financial position.

There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw material. If we were to experience a significant or prolonged shortage of raw material from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules and to deliver such order to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw material in the future, as and when we need them and on commercially acceptable terms.

5. *Our current order book may not necessarily translate into future income in its entirety or could be delayed. Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our clients, which could adversely affect our business reputation, which could have a material adverse effect on our business, financial condition, results of operations and future prospects.*

The profitability of a contract in our order book and our cash flow may be affected by the following amongst others:

- withholding of payments by clients or mismatch between our internal cost milestones and the payment milestones under our contracts;
- the refusal of suppliers, contractors and sub-contractors to maintain favourable payment conditions and / or performance defaults by suppliers, contractors, sub-contractors
- performance defaults by suppliers, contractors, sub-contractors or consortium partners;

- client payment defaults, cancellation or termination, withholding of or non-payment by our clients and/or
- changes in law or taxation, changes in government policies and / or change in budget appropriations

As any of the above occurrences may adversely impact and reduce the order book position, there can be no assurance that the income anticipated in our order book will be realised, or, if realised, will be realised on time or result in profits. In addition, our order book during a particular future period depends on continued growth of the infrastructure sector in India and our ability to remain competitive.

We cannot assure you that in the future such contracts (entered/ to be entered into by us) will get completed in scheduled time and/ or cost overruns on our contracts will not have a material adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that our clients will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or that we may not need to renegotiate some of our contracts in future. It is possible that our clients refuse to renegotiate our contracts resulting in us having to bear the financial burden. This may also have an impact on, among other things, our business reputation, which could have a material adverse effect on our business, financial condition, results of operations and future prospects.

6. *We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors is expected to make our ability to procure business in future more uncertain which may adversely affect our business, financial condition and results of operations.*

Our business is highly competitive. We face competition from competitors in the domestic market as well as in international markets. With the liberalisation of the Indian economy, the Government has encouraged competitive bidding. We may not be in a position to aggressively price our products in the future which may result in loss of business and adversely affect our future prospects. With increased competition, our ability to estimate costs to provide goods required under the contracts and ability to deliver the project timely will determine our profitability and competitive position in the market. The possibility exists that our competitors might develop new technologies that might cause the existing technology and offerings used by us to become less competitive.

Further, some of our competitors may have access to superior technological and more financial resources than those available to us, as a result of which, they may be more successful than us in bidding for the projects. Any failure on our part to compete effectively in terms of pricing of our services or providing quality services could have a material adverse effect on our operations and financial condition.

We may in future face competition from foreign entities entering the Indian market for vehicle body building in the commercial vehicles industry as well as the Indian market for locomotive bodies and components in the railways industry, to the extent private entities are permitted by the Government of India to participate in this area. There can be no assurance that we will be able to compete successfully in such event or that such increased competition will not have a material adverse effect on our business, financial condition and results of operations.

7. *Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.*

The Indian railways as well as commercial vehicle industry has gradually diversifying to electronic mode. We have limited experience in the manufacture of electric locomotive shells, components and assemblies and we may need to incur additional capital expenditure in this regard. Accordingly, we may be subject to certain risks, such as:

- Diversion of our management's attention and our resources from our existing businesses.
- Inability to hire and retain skilled personnel experienced in the manufacture of locomotive shells, components and assemblies.
- Inability to adapt to the technological requirements of locomotive shell, component and assembly manufacture.

Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, delays in product development and possible failure of products to operate properly. As part of our growth strategy, we plan to venture into

Indian and overseas markets by catering specifically to EV OEMs. The market for electric vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements and consumers' willingness to adopt electric vehicles. A decline in the trend towards electrification driven by changing consumer preference or any change in government policy, laws and regulations that reduces or eliminates support for electrification of vehicles, resulting in lower demand for electrical vehicles and consequently a significant reduction in production of electric vehicles could have an adverse effect on our sales to EV OEMs and lead to a decline in our earnings from the EV market. We further cannot assure you that we will succeed in effectively implementing new technology in manufacturing new products or that we will recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows. If we are unsuccessful in this endeavour, our business, financial condition, results of operations or reputation may be adversely affected.

8. *Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, shortage or disruption in electricity, may lead to disruption in operations, higher operating cost and consequent decline in operating margins.*

Adequate and cost-effective supply of electrical power is critical to our manufacturing facilities. For Fiscals 2022, 2021, 2020 and nine month ended December 31, 2022, cost of electricity and percentage of amount spend on electricity from our total expenditure is mentioned in the below table:

Period	Amount spend on electricity and fuel supply (In ₹ lakh)	Percentage of amount spend on electricity from our total expenditure
Fiscal 2020	221.30	1.60%
Fiscal 2021	2,370.32	19.49%
Fiscal 2022	2,518.01	18.85%
For nine month period ended on December 31, 2022	2,332.05	16.55%

If energy costs were to rise, or if electricity supply or supply arrangements were disrupted, our profitability could decline. We source our electricity requirements for our manufacturing facilities from State Electricity Distribution Board. The cost of electricity from state electricity boards could be significantly higher, thereby adversely affecting our cost of production and profitability. Interruptions of electricity supply can result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. If for any reason such electricity is not available, we may need to shut down our manufacturing units until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

9. *Breakdown or any shutdown of our manufacturing facilities at any one or more of our factories could disrupt operations and result in delays in our production operations.*

Our manufacturing facilities are subject to operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant Government authorities. Our business is dependent upon our ability to manage our manufacturing operations effectively, which are subject to various operating risks, including those beyond our control. We also depend on capital intensive machinery for manufacturing of our products and any breakdown in the machinery may lead to halt in our manufacturing process thus adversely affecting our business and results of operations. We cannot assure you that there will not be any significant disruptions in our operations or disruptions in commissioning of new manufacturing facilities in the future.

We conduct our operations through manufacturing facilities at Bandel, West Bengal, Jabalpur and Indore, Madhya Pradesh and Jamshedpur, Jharkhand. Our business is dependent upon our ability to manage our manufacturing facilities. Any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our “**Manufacturing Assets**”) may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may

need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Our customers rely significantly on the timely delivery of our products, and our ability to provide an uninterrupted and timely supply of our products is critical to our business. If we experience breakdowns at any of our factories, our operations will be disrupted and we may suffer consequent delays in our production leading to adverse claims by our customers or cancellation of their orders.

10. Our inability to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity increases, may have an adverse effect on our business, cash flows, financial condition and results of operations.

We maintain an inventory of raw materials which includes steel, rail wheels and steel components. For the Fiscals 2022, 2021, 2020 and for the nine month period ended December 31, 2022 our total inventory stood at ₹31,942.99 lakh, ₹24,429.53 lakh, ₹4,757.01 lakh and ₹42,793.49 lakh, respectively. Our primary raw material which is steel has high volatility in pricing, therefore not buying the raw material at suitable prices can have an adverse effect on our profitability. Further, our revenues are difficult to predict and can vary significantly from quarter to quarter as major part of our order book is based on contracts awarded by MoR through a bidding process. Due to uncertainty in orders, we face difficulty in maintaining an inventory of raw materials.

Any error in forecasting could result in deficit or surplus stock which would have an adverse effect on our profitability. Our high level of inventory increases the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations.

In the event that we are unable to ramp up production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner. Any increase in our turn-around time could affect our production schedules and disrupt our supply which could have an adverse effect on our business, cash flows, financial condition and results of operations.

11. If we fail to comply with the product specifications, delivery schedules and production standards prescribed by our customers, we may be faced with liabilities and adverse consequences, including monetary penalties, warranty claims and loss of our customers, which could have a material adverse effect on our business, financial condition and results of operations.

Some of our customers, such as the Indian Railways, require us to furnish performance security under their purchase orders in the form of security deposits in cash and performance bank guarantees. Orders from the Indian Railways also provide for liquidated damages and monetary penalties for failure to adhere to delivery timelines. We also face the risk of being de-registered by the Indian Railways and Ministry of Defense, and hence losing their custom, if our factories or products do not meet their standards or specifications. Our supplies to our customers including Indian Railways carry warranties varying between 12 to 30 months. We do not make provision for warranty claims in our accounts. Further, typically, under the terms of our purchase orders, our customers have the right to reject goods that have not been cleared by the inspection agencies designated by them or that do not meet their specifications or are not delivered on time. In essence, if we fail to meet the stipulated delivery timelines and product specifications or standards, we may face warranty and liquidated damages or other monetary claims, forfeiture of security deposits, invocation of performance bank guarantees, rejection of goods and de-registration by our customers or loss of our customers that could have a material adverse effect on our business, financial condition and results of operations.

12. We face competition in the commercial vehicles division from the un-organized sector.

A majority of the business of some of our major customers in commercial vehicles division is the sale of chassis rather than fully built vehicles to dealers. End-users of these chassis, obtain vehicle bodies for their chassis from garage owners in the unorganized sector, rather than from manufacturers in the organized sector such as us. Although we have been able to withstand competition from the un-organised sector in the past,

there can be no assurance that we will be able to continue doing so, as a result of which our business, financial condition and results of operations may be adversely affected.

13. *There are outstanding legal and tax proceedings involving the Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations, cash flows and future prospects.*

The nature of the business segments that we operate in are such that, from time to time we have been, and expect to continue to be subject to legal proceedings and claims in the ordinary course of our business, particularly relating to liability claims. We are currently involved in certain tax proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details of these legal proceedings, please refer to chapter titled “*Legal Proceedings*” beginning on page 199.

We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be an adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

14. *Our business is dependent on the continued growth of infrastructure mainly the transport infrastructure such as railways, highways, roadways etc. and any slowdown in fresh investments in the infrastructure change in policies may impact our business and results of operations.*

Our revenue is primarily derived from railway sector in India. The growth of railway sector has seen a significant improvement in the last few years in terms of policies and investments by the GoI. In addition to railway sector, we are also dependent on the continued growth of other transport infrastructure such as highways, ropeways, airports and urban transport sectors. Investments by the GoI in the infrastructure development of ports, highways, ropeways, airports and urban transport sectors are key to our business growth and future prospects. However, any slowdown in the growth of infrastructure sectors including railways and any change in policy or inability of the GoI to allocate sufficient budgets may impact our business and results of operations in the future.

15. *The demand for our special purpose commodity specific wagons and containers is related to GDP growth which sustains the demand for specific commodities like coal, steel, cement, alumina, food grains and automobiles.*

Our Company manufactures special purpose commodity specific wagons and containers which cater to the coal, steel, cement, alumina, automobiles, perishable goods and certain commodity-specific industries. The demand for these wagons and containers is directly related to the demand for the commodities in these industries and any decrease in such demand may result in a decrease in the demand for our special purpose commodity specific wagons and containers. In addition, any slowdown in the core sector of the Indian economy (which includes the coal, steel and cement industries) may also reduce the demand for our special purpose commodity specific wagons and containers. Any of these events may adversely affect our business, financial condition and results of operations.

Railway freight traffic in India generally depends on a number of factors such as policy initiatives taken by the Indian Railways, the amount of investment in railway infrastructure, the performance of the core sector of the Indian economy, overall growth in India’s GDP and the amount of investment in road transport infrastructure. If the share of the Indian Railways in India’s freight traffic continues to decline, the demand for wagons will consequently reduce which may adversely affect our business, financial condition and results of operations.

16. *Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations and prospects.*

We have implemented various information technology (“IT”) solutions and/or enterprise resource planning (“ERP”) solutions to cover key areas of our operations, procurement, dispatch, accounting and other business functions. These systems are potentially vulnerable to damage or interruption from a variety of sources, which

could result in a material adverse effect on our operations. Disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our IT systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

17. Changes in technology may render existing technologies obsolete and our inability to identify evolving industry trends and customer preferences and make capital investments in new technology may adversely affect our business, financial condition, results of operations or prospects.

Our future success depends in part on our ability to respond to technological advances and emerging designs and developments especially in locomotives, rolling stock, and electrification technologies. The service needs of our clients changes and evolves regularly, and we invest in a wide range of technologies and services. If our suppliers, contractors or sub-contractors cannot deliver on time or perform to our standards, we may not meet our clients' requirements, which could result in material additional costs, including penalties.

Our ability to realize the anticipated benefits of our technological advancements depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability and performance of suppliers, contractors and subcontractors, hiring and training of qualified personnel, achieving cost and production efficiencies, identification of emerging technological trends in our target end markets, validation of innovative technologies, level of client interest in new technologies and products, and client acceptance of products that incorporate technologies. As a result, the performance and market acceptance of these larger systems could affect the level of client interest and acceptance of our own services in the marketplace. As discussed above, there can be no assurance that, among other things, we will have access to qualified personnel.

We or our clients, suppliers, contractors or sub-contractors may encounter difficulties in acquiring new equipment, plant and machinery. We cannot assure you that we will be able to successfully obtain or implement new technologies effectively or adapt our systems to emerging industry standards or retain existing clients by matching their emerging demands. If we are unable to adapt in a timely manner to changing market conditions, client requirements or technological changes, our business, financial performance and future prospects may be adversely affected.

18. We rely on third-party transportation providers for procurement of raw materials and for supply of our products and failure by any of our transportation providers could result in loss in sales.

We use third-party transportation providers for procuring our raw materials as well as for distributing our products with regards to our container business to our customers. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. We cannot

guarantee that there will not be any delay in transportation and delivery of our products to our customers. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us which may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could adversely affect the performance of our business, results of operations and cash flows.

Further, our third-party transportation providers do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under the Company's insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

19. *An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.*

We have experienced stable growth in the past and our income increase by ₹18,416.30 lakh or by 18.46% from ₹99,758.24 lakh during the Fiscal 2021 to ₹1,18,174.54 lakh during the Fiscal 2022. Further, our income increase by ₹54,252.17 lakh or by 66.31%, from ₹81,810.46 lakh during nine-month period ended December 31, 2021 to ₹1,36,062.63 lakh during nine months period ended December 31, 2022. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies, include, developing innovative process and value engineering, expanding business by capitalizing on industry opportunities and organic and inorganic growth, diversifying our product portfolio and expanding chemical expertise, and focusing on cost efficiency and improving productivity. For further information, see "*Business – Strategies*" on page 139. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify trends and demands in the industry, develop innovative products and technologies, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel and undertake complex chemistries. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

20. *We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders which may expose us to warranty claims.*

All our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers in terms of the various contractual arrangements entered into with them or tender issued by them. While we believe we undertake the necessary measures and engage internal and external experts to ensure that our manufacturing facilities comply with the applicable standards as imposed by our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could expose us to monetary liability and/ or litigation.

Majority of our key customers have also audited and approved our facilities and manufacturing processes in the past, and may undertake similar audits periodically in the future. In addition, certain agreements also require us to retain certain samples of our products supplied to the customers for a specific period of time in order for them to conduct quality checks and inspections. Any such occurrence on account of errors and omission could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition. This may result in our customers cancelling present or future purchases of our products.

Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. We employ an extensive and stringent quality control built in process and systems at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. The quality of our product offerings is documented in the certifications which we have received including, IATF 16949, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Type Approval Certificate for International Convention for Safe Containers from LRQA Verification Limited G-105 by the Indian Railways and M-1003 by the Association of American Rail Road. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

21. *Our growth and success largely depends upon the knowledge and experience of our Promoters, Directors and Senior Management Personnel. Loss of such persons, or our inability to attract and retain Senior Management Personnel in the future, could adversely affect our business, growth prospects, results of operations and cash flows.*

Our Promoter Directors Vivek Lohia and Vikash Lohia hold vast experience of over 15 years each in the wagon and mobility industry and we are highly dependent on them for smooth functioning and growth of our business. Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our Promoters, our Directors, Senior Management Personnel, including skilled project management personnel. Our management and technical personnel are supported by other skilled workers who benefit from regular in-house training initiatives and they are also supported by external consultants with significant industry experience who are not permanent employees of our Company. The loss of any of our Promoters, our Directors, Senior Management Personnel or other key management personnel, or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, growth prospects, results of operations and cash flows.

We face competition to recruit and retain skilled and professionally qualified staff. Due to the limited availability skilled personnel, competition for senior management and skilled engineers in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. For further details on our Directors and Senior Managerial Personnel, please refer to the chapter titled — “Board of Directors and Senior Management Personnel” beginning on page 148.

22. *We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.*

In the ordinary course of our business, we have entered into transactions with related parties. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and future prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company and against your interest. For further details

regarding our related party transactions, see the section “*Related Party Transactions*” as disclosed on page 45.

23. *Our insurance coverage may not be sufficient to cover all risks or losses and failure to recover any damages or indemnity due to us under our contracts, could have a negative impact on our business, financial condition and results of operations.*

Our operations are subject to inherent risks, such as equipment defects, malfunctions and failures and natural disasters that can result in fires and explosions. However, we believe we have taken appropriate insurance coverage, for instance, marine open policy, group medishield insurance policy, money insurance policy, workmen compensation policy, burglary policy, amongst others. We also maintain a standard fire and special perils policy.

Our activities also involve the operation of heavy machinery and other operating hazards. These risks could expose us to substantial liability for personal injury, wrongful death, or property damage. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured the amount of the loss may exceed our coverage for the loss. Similarly, although we have obtained insurance for our employees as required by Indian laws and regulations, as well as for our properties, premises and assets, our insurance may not be adequate to cover all potential liabilities.

However, we cannot assure that our insurance arrangements will be sufficient to cover any material losses that may arise in connection with our business. If our losses exceed our insurance coverage or if we face claims in relation to risks against which we are not currently insured, our result of operations may be adversely affected. In the absence of adequate insurance coverage by our clients or any delay in receipt of any damages or indemnity that may be due to us, we may incur liability and damages not covered by insurance. There is no assurance that such insurance will be generally available in the future or, if available, that premiums will be commercially viable. If we incur substantial liability and the damages are not covered by insurance or exceed policy limits, or we are unable to obtain liability insurance, our business, results of operations, financial condition and future viability as a going concern may be materially adversely affected.

24. *We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.*

Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended in order to establish and operate our manufacturing facilities in India, and registrations with the relevant tax, labour and municipal authorities in India.

There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Placement Document, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

- 25. *We are subject to stringent labour laws or other industry standards and any strike, labour unrest, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.***

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on March 31, 2023 we have 807 permanent employees. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force such as strikes, labour unrests, work stoppages or increased wage demands, which may adversely affect our business.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows. We also enter into contracts with independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labour as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows.

- 26. *Certain properties are not owned by us and we enjoy only a leasehold right over some of these properties. If we are unable to occupy and use these premises or fail to extend the lease period on lease expiry on reasonable terms, it may have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.***

Certain of our immovable properties, where some of our manufacturing facilities are located, are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations. Some of our business operations are being conducted on premises leased from third parties. The tenure of the leases is generally agreed in the relevant lease agreements and in some cases are subject to renewal after the agreed period of time. The term of lease agreements for our manufacturing and assembly facilities ranges from 11 months to 99 years with restricted right to terminate the leases available with the lessors in majority of leases, subject to lock-in period and option of renewals in terms of the lease agreements available to the Company. While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our operations.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may also affect our operations. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future. There can be no assurance that we will be able to renew these leasing arrangements at commercially favorable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

- 27. *This placement document contains information from an industry report which we have commissioned from Care Advisory Research and Training Limited***

This placement document includes information that is derived from an industry report titled "*Industry Research Report on Railway Infrastructure, Shipping Container & Commercial Vehicle Industries*" dated February 6, 2023 ("**CARE Report**"), prepared by Care Advisory Research and Training Limited, a research

house, pursuant to an engagement with the Company. We commissioned this report for the purpose of confirming our understanding of the railway infrastructure industry in India. Neither we, nor the Book Running Lead Manager, nor any other person connected with the Offer has verified the information in the commissioned report. Care Advisory Research and Training Limited has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (“**Information**”), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Placement Document. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Care Advisory Research and Training Limited has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the Care Report. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this placement document, when making their investment decisions.

28. Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition of our Company.

We have not paid dividend in past three Fiscals and our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

29. We have contingent liabilities as at March 31, 2022 and our financial condition may be adversely affected if these contingent liabilities materialize.

As of March 31, 2022, our contingent liabilities as disclosed in the notes to our Audited Consolidated Financial Statements aggregated to ₹4,328.06 lakh. The details of our contingent liabilities are as follows:

Particulars	As at March 31, 2022 (₹ in lakh)
Income tax matters	682.30
Excise duty and service tax matters	2,061.49
Sales tax and entry tax matters	1,584.27
Total	4,328.06

If any of these contingent liabilities materialise, we may have to fulfil our payment obligations, which may have an adverse impact on our cash flows, financial conditions and results of operations. For further information, see “*Management’s Discussion and Analysis of Condition and Results of Operation*” and “*Financial Information*” on page 84 and 207, respectively.

30. We may undertake strategic acquisitions or investments or strategic relocations, which may prove to be difficult to integrate and manage or may not be successful.

We may consider making strategic acquisitions of other companies with the belief that their resources, capabilities and strategies are complementary, and are likely, to enhance our business operations. Our Board may identify suitable acquisition or investment opportunities and in the event we do identify such suitable opportunities, we cannot assure you that we will complete those transactions on terms commercially acceptable to us or at all, which may adversely affect our competitiveness and growth prospects.

Such proposed acquisitions may be subject to receipt of relevant approvals. There can be no assurance that we will be able to obtain such approvals in a reasonable timeframe, or at all. There can be no assurance that we will be able to successfully integrate the acquired businesses into our existing operations or achieve economies of scale. Our acquisition strategy involves various risks and challenges. An inability to integrate or manage these acquired businesses or entities may result in increased costs and adversely affect our results of operations. In connection with any such acquisition or investment, we may incur debt, amortization expenses relating to intangible assets, large and immediate write-offs, assume liabilities or issue shares as payment for the acquisition that would dilute our current shareholders' percentage of ownership. If we are not able to realize the anticipated benefits or the expected return on our investments or acquisitions, or are unable to complete acquisitions or integrate the operations, software, technologies or personnel gained through any such acquisition, it could have an adverse effect on our business, financial condition and results of operations.

31. *Our Promoters will continue to retain majority shareholding in us after the Offer, which will allow them to exercise significant influence over us.*

Our Promoters collectively hold a majority of our Company's issued and outstanding Equity Shares. Accordingly, our Promoters will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company's or your favour.

32. *Our Promoters who are also Directors and Key Management Personnel hold Equity Shares, and are, therefore, interested in our Company's performance other than reimbursement of expenses incurred or normal remuneration of benefit.*

Our Promoters who are also our Directors and Key Management Personnel, have interests in our Company other than to the extent of normal remuneration or benefits and reimbursement of expenses incurred. For further information, see "*Board of Directors and Senior Management Personnel*" on page 148. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company.

33. *Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.*

As of April 30, 2023, our aggregate outstanding indebtedness was ₹29,540.00 lakh comprising of long-term borrowings, short-term borrowings, and current maturities of long-term borrowings on consolidated basis. Our credit facilities contain certain restrictive and financial covenants that may require the prior written approval of lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. Upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to inter alia, impose penal/default interest, enforce the security and accelerate the facility and declare all amounts payable by our Company in respect of the facility to be due and payable immediately or otherwise payable on demand. For instance, in the past we were not in compliance with certain financial and other covenants of credit facilities availed by us from lenders. While, as on date of this Placement Document, we are in compliance with covenants of credit facilities availed by us, there can be no assurance that we will continue to be in compliance with all covenants in our loan agreements and any such breach of conditions and covenants in our loan agreement may result in an event of default in terms of loan agreements which may have an adverse impact on our financial condition, business or operations.

- 34. *We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and result of operations.***

As of April 30, 2023, our Non-current and Current borrowings amounted to ₹1,785.00 lakh and ₹27,755.00 lakh, respectively. Some of our borrowings are drawn on facilities that are repayable on demand. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or default or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

- 35. *Our statutory auditors have included certain emphasis of matters in relation to our Company in our Fiscal 2022 Audited Financial Statements.***

Our statutory auditors have included certain emphasis of matters in relation to our Company in our Fiscal 2022 Audited Financial Statements, as described in “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations – Reservations, qualifications or adverse remarks by Statutory Auditors*” on pages 207 and 84, respectively.

- 36. *We have working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our business, results of operations and financial condition.***

Our Company requires working capital to finance the purchase of materials and for the manufacture and other related work before payment is received from customers. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities. Our sources of additional financing, required to meet our working capital requirements and capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

- 37. *We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation.***

Our success depends on our ability to protect our intellectual property. As of April 30, 2023, we have been granted 7 trademarks and 113 trademarks are either objected, advertised and pending for registration, marked for examination or sent for Vienna Codification. We cannot assure you that these 113 trademarks will get registered.

The measures we take to protect our intellectual property, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. Third parties, including our competitors, may claim that our products infringe their proprietary rights. Such infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Such claims and any resulting legal proceeding may subject us to additional financial burden; divert our management's attention and resources away from our core business; and if decided against our favour, may restrict us from utilising that intellectual property and require us to undertake significant inventory and product write-offs, recall our products already sold and/or refund the amounts received from selling those products. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

38. *Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.*

The cost and availability of capital, among other factors, depend on our credit rating. Our long term and short term bank loan facilities' credit rating by Acuite is ACUITE A+ and ACUITE A1 respectively and ICRA have improved from ICRA A (positive) and ICRA A2+, respectively, to ICRA A+ (stable) and ICRA A1, respectively. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

39. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.*

We intend to use the Net Proceeds for the purposes described in "Use of Proceeds" on page 74 of this Placement Document. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors. Accordingly, you will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

EXTERNAL RISK FACTORS

40. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

41. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

42. *If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our products, and our business, prospects, financial condition and results of operations may therefore be adversely affected.

43. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. For instance, as of July 1, 2017, GST in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services in India. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

44. *Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

The Audited Financial Statements and the Consolidated Unaudited Financial Results included in this Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

45. *A slowdown in economic growth in India could cause our business to suffer.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

46. *Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.*

Our Company is a limited liability company incorporated under the laws of India. Majority of our Company's Directors and key management personnel are residents of India and our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

47. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

RISKS RELATING TO THE EQUITY SHARES

48. Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

49. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

50. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Further, the Government of India announced the Union Budget for Fiscal 2023 ("Budget 2023"), pursuant to which the Finance Bill 2023 has proposed various amendments. The Finance Bill 2023 has received assent

from the President of India on March 30, 2023 and has been enacted as the Finance Act 2023. Further, the Government of India announced the Union Budget for Fiscal 2023 (“**Budget 2023**”), pursuant to which the Finance Bill 2023 has proposed various amendments. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company’s business, financial condition, results of operations and cash flows.

51. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

52. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

53. Listed companies in India are highly regulated and we are subject to continuous reporting requirements.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure

controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

54. *The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.*

The Issue Price shall be determined by us in consultation with the BRLM, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the ongoing COVID-19 pandemic, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the construction equipment sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See *"There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time."* below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See *"Dividends"* on page 83. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

55. *There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

56. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

57. The right of the Equity Shareholders to receive payments under the Equity Shares will be subject to tax and other liabilities upon insolvency of the Company.

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Company's business (including workmen's dues, such as salary, holiday remuneration, amounts due under the Employees' State Insurance Act, 1948, compensation in relation to death or disability of employees, money payable to the provident fund, gratuity fund, etc.). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against the Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in the Company may be significantly diluted or otherwise completely extinguished.

58. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

59. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

60. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 38,74,47,419 Equity Shares have been issued, subscribed and paid up. The face value of the Equity Shares is ₹10 per Equity Share. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol JWL and BSE under the scrip code 533272.

The closing prices of the outstanding Equity Shares on BSE and NSE as on May 10, 2023 was ₹111.95 and ₹111.95 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2023, 2022 and 2021.

BSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high (₹)	Total turnover of Equity Shares traded on date of high (₹ in lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lacs)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
2023	127.80	01-04-23	1,81,165	222.67	43.80	01-04-22	32,682	14.97	75.53	1,50,87,969	11,556.38
2022	56.70	17-01-22	69,441	39.37	15.00	05-04-21	9,550	1.44	37.19	1,31,15,368	4,877.14
2021	29.80	12-01-21	96,010	27.84	7.80	18-05-20	403	0.03	18.74	27,92,588	523.34

(Source: www.bseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year

NSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high (₹)	Total turnover of Equity Shares traded on date of high (₹ in lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lacs)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
2023	127.70	01-04-23	11,39,968.00	1,404.68	43.65	01-04-22	2,55,079.00	115.95	75.36	9,16,10,425	69,379.15
2022	56.55	17-01-22	1,14,263	64.62	15.05	05-04-21	17,200	2.59	37.41	5,89,92,406	22,066.80

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high (₹)	Total turnover of Equity Shares traded on date of high (₹ in lacs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lacs)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
2021	29.80	12-01-21	8,81,736	254.78	7.70	18-05-20	8,480	0.66	18.79	2,13,68,295	4,014.08

(Source: www.nseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
 2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
 3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year
2. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
April, 2023	113.90	27-04-23	636391	698.76	93.45	03-04-23	107588	103.34	102.09	7874562	8,261.46
March, 2023	105.35	09-03-23	5,68,139.00	577.14	85.20	28-03-23	1,94,920	169.50	95.36	49,94,012	4,869.89

Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
February, 2023	127.70	01-02-23	11,39,968	1,404.68	92.50	27-02-23	1,71,472	160.95	100.44	84,03,552	8,719.14
January, 2023	123.25	31-01-23	6,59,749	802.38	92.35	02-01-23	5,07,861	484.58	105.17	98,75,296	10,457.47
December, 2022	93.15	20-12-22	2,68,163	245.33	83.55	01-12-22	2,18,770	184.42	89.68	75,26,702	6,750.00
November, 2022	87.85	29-11-22	2,69,843	235.78	72.55	02-11-22	51,639	37.49	80.43	33,88,405	2,725.28

(Source: www.nseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a month, average price for the month represents the average of the closing prices on each day of each month.

BSE

Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
April, 2023	113.75	26-04-23	1,24,621	138.07	94.53	03-04-23	97	3.56	102.10	8,34,601	872.62

Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lacs)
March, 2023	105.59	09-03-23	43,707	44.64	85.37	28-03-23	76,100	65.87	95.33	6,82,169	656.34
February, 2023	127.80	01-02-23	1,81,165	222.67	91.90	10-02-23	1,01,833	96.13	100.38	12,12,325	1,251.68
January, 2023	123.25	31-01-23	92,994	113.10	92.15	02-01-23	65,301	62.16	105.17	16,05,389	1,697.22
December, 2022	93.20	20-12-22	71,338	65.55	82.90	01-12-22	82,847	69.16	89.62	13,40,602	1,201.49
November, 2022	88.00	29-11-22	1,39,373	121.36	72.50	02-11-22	9,134	6.65	80.94	11,35,449	919.00

(Source: www.bseindia.com)

Note:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
3. In the case of a month, average price for the month represents the average of the closing prices on each day of each month.

3. The following table sets forth the market price on the Stock Exchanges on December 19, 2022, the first Working Day following the approval of our Board for the Issue:

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lacs) (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lacs) (₹)
91.00	92.10	89.20	90.70	2,30,053	208.81	90.00	92.00	89.25	90.25	46,257	41.89

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹12,491.10 lakhs. The net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹12,038.44 lakhs (“Net Proceeds”).

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds towards:

1. Acquisition of Stone India Limited by our Company;
2. Funding working capital requirements of our Company;
3. General corporate purposes.

(Collectively referred to “Objects”).

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Sr. No	Particulars	(in ₹ lakhs) Amount
1.	Acquisition of Stone India Limited by our Company	2,500.00*
2.	Funding working capital requirements of our Company	7,100.00
3.	General Corporate Purposes	2,438.44
Total Net Proceeds		12,038.44

* Exact Amount can be finalised upon receipt of NCLT Order, since Provident Fund and Corporate Insolvency Resolution Process cost are uncertainable as on date. Also, actual deployment of funds in current and subsequent fiscal year is subject to the NCLT Order yet to be passed.

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, under the SEBI ICDR Regulations is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of Implementation and Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

Particulars	Amount to be funded from the Net Proceeds	(in ₹ lakhs) Estimated deployment of the Net Proceeds during Fiscal 2024
Acquisition of Stone India Limited by our Company ⁽¹⁾	2,500.00	2,500.00
Funding working capital requirements of our Company	7,100.00	7,100.00
General corporate purposes	2,438.44	2,438.44
Total Net Proceeds	12,038.44	12,038.44

(1) Exact Amount can be finalised upon receipt of NCLT Order, since Provident Fund and Corporate Insolvency Resolution Process cost are uncertainable as on date. Also, actual deployment of funds in current and subsequent fiscal year is subject to the NCLT Order yet to be passed.

Our fund requirements and deployment of the Net Proceeds are based on the internal management estimates as per our business plan based on current market conditions. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution or any other independent agency. These are based on current general economic and market conditions and business needs, and the actual deployment of funds at each stage will depend on a number of factors, including changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, inflation, employment and disposable income levels, demographic trends, technological changes, changing customer preferences, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. Further, if the Net Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) economic and market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods in such manner as may be determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company, subject to compliance with applicable law.

Details of use of Proceeds

A. Acquisition of Stone India Limited by our Company

Our Company proposes to utilize ₹2,500.00 lakhs towards acquisition of Stone India Limited. In pursuit of our strategy of growth, we seek opportunities to acquire brands, businesses and assets which complements our product offerings, strengthen or establish our presence and provide synergy to our existing businesses and operations.

The business of Stone India Limited is in the brake systems and train lighting alternators segment and it has been a vendor for locomotive brake system for the rail road industry. It is engaged in the manufacture and supply of electrical and mechanical engineering equipment applicable to rolling stock of railway i.e. coaches, wagons, locomotive, air brakes, blocks and electrical mechanical and electronic equipment, platform screen door system, MRL elevator, moving walkways and escalators, which would enable our Company to expand its product portfolio.

Considering above, we have submitted our resolution plan for acquisition of Stone India Limited in the month of September 2022 with National Company Law Tribunal, Kolkata Bench, Kolkata (the "NCLT"). We have been declared as the successful resolution applicant for the acquisition of Stone India Limited pursuant to its insolvency resolution process vide the voting results of committee of creditors for which the e-voting concluded on October 13, 2022 and the letter of intent dated October 14, 2022 issued by the Insolvency Professional. We have issued a performance bank guarantee of ₹5,00.00 lakhs in favour of Indian Overseas Bank, Asset Recovery Management Branch, Kolkata for the proposed acquisition. As per the resolution plan submitted by us, our Company is required to pay ₹2,061.00 lakhs as a resolution plan amount within a period of ninety days from the effective date i.e date on which NCLT Order is passed. Further our Company has committed to infuse ₹2,500.00 lakhs for business development of Stone India Limited within a period of one year from the effective date i.e date on which NCLT is passed, which the Company shall meet from its internal accruals. As on date, the NCLT has reserved the Order.

B. Funding working capital requirements of our Company

Our Company proposes to utilise ₹7,100.00 lakhs towards funding its working capital requirements in the ordinary course of business.

We have significant working capital requirements and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities from various banks and financial institutions. As on April 30, 2023, our Company has a total sanctioned limit of working capital facilities of ₹1,05,750.00 lakhs including fund based and non-fund based sub-limit and has utilised ₹87,205.00 lakhs. Our Company requires additional working capital in order to support its incremental business requirements, funding future growth opportunities and for other strategic and corporate purposes.

Basis of estimation of working capital requirement

The details of Company's working capital and the source of funding, on the basis of the Consolidated Unaudited Financial Results for the nine months' period ended December 31, 2022 and the Audited Financial Statements for

the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, of our Company are provided in the table below:

(in ₹ lakhs)

Working Capital	Estimated as on March 31, 2024	Holding Level (Days)
Inventory	51,316.72	120
Trade Receivables	16,849.32	30
Other current financial assets	4,493.15	8
Other current assets	16,849.32	30
Fixed Deposits towards Bank Guarantee	5,616.44	10
Total Current Assets (A)	95,124.94	-
Trade Payables	25,658.36	60
Other Current Liabilities	12,829.18	30
Total Current Liabilities (B)	38,487.54	-
Net working capital (A- B)	56,637.40	-
Funding Pattern		
Short Term borrowings and other financial liabilities	25,747.01	-
Proceeds from QIP (shown Cumulative in Fiscal 2024)	7,100.00	-
Internal Accruals / Networth	23,790.39	-

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) for Fiscal 2020, Fiscal 2021, Fiscal 2022 and the nine month period ended December 31, 2022, which have been computed from the financial statements of our Company:

(in ₹ lakhs)

Working Capital	Amount as on December 31, 2022	Holding Level (Days)	Amount as on March 31, 2022	Holding Level (Days)	Amount as on March 31, 2021	Holding Level (Days)
Inventories	42,793.49	114.79	31,942.99	130.36	24,429.53	120.56
Trade Receivables	17,444.53	35.36	7,098.61	21.99	7,212.19	26.44
Other current financial assets	3,549.38	7.20	2,475.78	7.67	1,952.31	7.16
Other current assets	13,979.66	28.34	8,458.18	26.20	7,754.06	28.42
Fixed Deposits towards Bank Guarantee	4,651.55	9.43	2,827.74	8.76	2,431.28	8.91
Total Current Assets (A)	82,418.61	-	52,803.30	-	43,779.37	-
Trade Payables	22,205.58	59.57	14,368.58	58.48	14,150.46	69.64
Other Current Liabilities	16,308.56	43.75	9,843.72	19.76	6,934.93	16.83
Total Current Liabilities (B)	38,514.14	-	24,212.30	-	21,085.39	-
Net working capital (C) = (A- B)	43,904.47	-	28,591.00	-	22,693.98	-
Funding Pattern						
Short Term borrowings (i)	20,114.08	-	9,649.50	-	9,308.23	-
Internal Accruals / Networth (ii) = (C) - (i)	23,790.39	-	18,941.50	-	13,385.75	-
Total Means of Finance (i) + (ii)	43,904.47	-	28,591.00	-	22,693.98	-

On the basis of existing working capital requirement of our Company, the historical holding levels and the assumptions for our estimated working capital requirements, our Board of Directors pursuant to its resolution dated May 10, 2023 has approved the projected working capital requirements for Fiscal 2024 as ₹56,637.40 lakhs. Accordingly, our Company proposes to utilize ₹7,100.00 lakhs of the Net Proceeds in Fiscal 2024, towards our estimated working capital requirements. The balance portion of our working capital requirement, if any, shall be met from internal accruals and short term borrowings.

General Corporate Purposes

Our Company proposes to deploy the balance Gross Proceeds, aggregating to ₹2,438.44 lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding

25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Monitoring Utilization of Funds from the Issue

The Company has appointed Care Ratings Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 173A of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years.

Pursuant to the SEBI Listing Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board for further action, if appropriate. Further, in terms of the SEBI Listing Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above and details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Director's report, after placing it before the Audit Committee.

Other Confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, and Key Managerial Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation and total debt as on December 31, 2022 based on our Consolidated Unaudited Financial Results and our Company's capitalisation as adjusted to reflect the receipt of the gross proceeds of this Issue and the application thereof.

This table should be read together with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information*" on pages 46, 84 and 207, respectively and the related notes included elsewhere in this Placement Document.

(₹ in lakhs)

Particulars	Pre – Issue	Post – Issue
	As at December 31, 2022 (Consolidated) (Refer Note – 1 below)	Amount after considering the Issue
Borrowings:		
Deposits	NIL	Nil
Debt Securities	NIL	Nil
Borrowings (consists of non – current borrowings, current borrowings, current maturities of non-current borrowings))	23,324.13	23,324.13
Subordinated Liabilities	NIL	Nil
Total indebtedness (A)	23,324.13	23,324.13
Equity		
Equity Share capital	38,744.74	39,948.70
Other Equity	37,723.83	49,010.97
Non controlling interest	6.53	6.53
Total Equity (B)	76,475.11	88,966.20
Total Capitalization (C = A+B)	99,799.24	1,12,290.33
Total Borrowing / Total Equity (A)/(B)	0.30	0.26

Notes:

1. Amounts derived from the Consolidated Unaudited Financial Results for the nine-month period ended December 31, 2022.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

(In ₹lakhs, except share data)

Particulars	Aggregate value at face value (except for securities premium account)
A. AUTHORIZED SHARE CAPITAL	
47,68,50,000 Equity Shares of face value of ₹ 10 each	47,685.00
B. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE	
38,74,47,419 Equity Shares of face value of ₹ 10 each	38,744.74
C. PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT	
Up to 1,20,39,611 Equity Shares aggregating up to ₹ 12,491.10 lakh ⁽¹⁾⁽²⁾	1203.96
D. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE	
39,94,87,030 Equity Shares of face value of ₹ 10 each ⁽²⁾	39,948.70
E. SECURITIES PREMIUM ACCOUNT	
Before the Issue (as of the date of this Placement Document)	Nil
After the Issue ^{(2) and (3)}	11,287.14

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution passed on December 17, 2022. The Shareholders have authorized and approved the Issue by way of a special resolution passed by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023.

(2) To be determined upon finalization of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

Equity Share capital history of our Company

The following table sets forth the history of the Equity Share capital of our Company since incorporation:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration
September 28, 1979	200	100	100	Subscription to the Memorandum of Association	Cash
May 11, 1980	8,600	100	100	To augment the financial resources of the Company	Cash
September 17, 1981	1,200	100	100	To augment the financial resources of the Company	Cash
February 15, 1982	5,000	100	100	To augment the financial resources of the Company	Cash
September 17, 1982	2,500	100	100	To augment the financial resources of the Company	Cash
April 4, 1983	2,500	100	100	To augment the financial resources of the Company	Cash
July 2, 1987	1,500	100	100	To augment the financial resources of the Company	Cash

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration
March 30, 1996	20,000	100	100	To augment the financial resources of the Company	Cash
November 21, 2002	50,000	100	100	To augment the financial resources of the Company	Cash
October 3, 2005	1,00,000	100	100	To augment the financial resources of the Company	Cash
December 23, 2006	2,65,500	100	100	To augment the financial resources of the Company	Cash
November 26, 2007	1,172	100	100	To augment the financial resources of the Company	Cash
December 25, 2007	1,42,789	100	2,101	Conversion of 3,000 Preference Shares of ₹ 100 each by redemption	Cash
November 24, 2008	11,835	100	-	Pursuant to scheme of arrangement between Kailash Auto Builders Private Limited, Commercial Engineers & Body Builders Company Private Limited and Kailash Vahan Udyog Limited.	Other than cash
March 18, 2010	Sub-division of each equity share of face value of ₹100 each into ten equity shares of ₹10 each				
March 18, 2010	3,67,67,760	10	-	Bonus issue in 6 Equity Share for every 1 Equity Shares	NA
October 13, 2010	1,20,47,244	10	127	Initial public offering	Cash
January 22, 2019	3,45,39,693	10	10	Preferential allotment	Cash
May 29, 2022	33,86,31,597	10	-	Pursuant to scheme of amalgamation between erstwhile Jupiter Wagons Limited and Commercial Engineers & Body Builders Company Limited	Other than cash
June 24, 2022	(4,06,66,835)	10	-	Pursuant to scheme of amalgamation between erstwhile Jupiter Wagons Limited and Commercial Engineers & Body Builders Company Limited, shareholding of the erstwhile Jupiter Wagons Limited in Commercial Engineers & Body Builders Company Limited comprising of	-

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration
				4,06,66,835 Equity Shares cancelled.	

Except as stated in “- *Equity Share Capital History of our Company*” above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Preference Shares

As on the date of this Placement Document, there are no outstanding preference shares.

Warrants

As on the date of this Placement Document, there are no outstanding warrants.

Employee stock option schemes

As on the date of this Placement Document, our Company does not have an employee stock option scheme.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be included in this Placement Document in the section “*Details of Proposed Allottees*” on page 206.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue as of March 31, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held**	% of shareholding
A.	Promoter’s holding[#]				
1.	Indian				
	Individual	4,59,11,014 [^]	11.85	4,59,11,014 [^]	11.49
	Corporate	16,38,57,793	42.29	16,38,57,793	41.02
2.	Foreign	7,93,45,729	20.48	7,93,45,729	19.86
	Sub-total (A)	28,91,14,536	74.62	28,91,14,536	72.37
B.	Non-Promoter’s holding				
1.	Institutional investors	58,00,890	1.50	1,78,40,501	4.47
2.	Non-institutional investors				
	Individual share capital upto ₹ 2 Lacs	1,46,21,199	3.77	1,46,21,199	3.66
	Individual share capital in excess of ₹ 2 Lacs	85,52,651	2.21	85,52,651	2.14
3.	Foreign Companies	6,31,18,097	16.29	6,31,18,097	15.80
4.	Bodies Corporate	33,96,460	0.88	33,96,460	0.85
5.	Any Other [including Non-resident Indians	28,43,586	0.73	28,43,586	0.71

Sr. No.	Category	Pre-Issue as of March 31, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held**	% of shareholding
	(NRIs) and clearing members]				
	Sub-total (B)	9,83,32,883	25.38	11,03,72,494	27.63
C.	Non-Promoter Non-Public shareholder				
1.	Custodian/ DR Holder	-	-	-	-
2.	Employee Benefit Trust	-	-	-	-
	Sub-total (C)	-	-	-	-
	Total (A+B+C)	38,74,47,419	100.00	39,94,87,030	100.00

**Note: The details of the post-Issue shareholding pattern have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges.*

Includes shareholding of the members of the Promoter Group.

^ Late Samir Kumar Gupta was holding 55,100 Equity Shares, ceased to be a promoter of the Company w.e.f April 09, 2023.

***Assuming Allotment of Equity Shares pursuant to the Issue.*

There are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

Other Confirmations

The Promoters, the Directors and the Key Managerial Personnel of our Company do not intend to participate in the Issue. No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of postal ballot notice dated December 17, 2022, to the shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

DIVIDENDS

The declaration and payment of dividends by our Company will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013.

Our Board has approved and adopted a formal dividend distribution policy on January 24, 2023, in terms of Regulation 43A of the SEBI Listing Regulations (“**Dividend Distribution Policy**”). In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to current year’s profits, future outlook, with due consideration of internal and external environment, operating cash flows and treasury position, financial ratios, earning per share possibilities of alternative usage of cash, e.g., capital expenditure etc., with potential to create greater value for shareholders, providing for unforeseen events and contingencies with financial implications, other factors that may be considered relevant from time to time. For further information, see “*Description of the Equity Shares*” on page 191.

Our Company has not declared any dividend during the nine months ended December 31, 2022 and during Fiscals 2022, 2021 and 2020.

There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Also see “*Statement of Possible Special Tax Benefits*” and “*Risk Factors*” on pages 196 and 46, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition is based on the Audited Financial Statements and Consolidated Unaudited Financial Results together with the Audited Financial Statements, the “Financial Statements”). This discussion should be read in conjunction with the section titled “Selected Financial Information”, and the Financial Statements included elsewhere in this Placement Document.

For financials of Fiscal 2021 please refer to Financial Statements of Fiscal 2022 and for financials of Fiscal 2020 please refer to Financial Statements of Fiscal 2020. Details of Fiscal 2021 and Fiscal 2020 have been taken from audited financials of Fiscal 2022 and Fiscal 2020, respectively. Further, consolidated financial statements for Fiscal 2021 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2021 means the restated consolidated financial statement for Fiscal 2021 and therefore results of operations and financial conditions for the Fiscal 2021 is not strictly comparable to Fiscal 2020 due to amalgamated business and operations, enhanced assets, suppliers, and customer base.

This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled “Forward-Looking Statements” and “Risk Factors” on pages 16 and 46, respectively, and elsewhere in this Placement Document.

We prepared our Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 months ended March 31 of that year.

Certain information contained in this section is taken from the report titled “Industry Research Report on Railway Infrastructure, Shipping Container & Commercial Vehicle Industries”, dated February 6, 2022 prepared by CARE Advisory Research and Training Limited (“CARE”) and commissioned by our Company from CARE. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

OVERVIEW

We are one of the premier manufacturers of railway wagons, components, and castings for passenger coaches and freight wagons in India. We are counted among one of the top manufacturers of advanced railway transportation equipment worldwide. Over the last decades, we have emerged as a one-stop solutions provider for passenger coaches and freight wagons in India. We design and manufacture application-based load bodies for commercial vehicles. Our product offerings include tippers, trailers for mining, infrastructure and construction, other applications include disposers for municipalities as well as private companies, refrigerated vans, special purpose defence vehicles, reconnaissance vehicles, RAF vehicles, water and oil tankers so on and so forth.

We complement and supplement EPC projects with our heavy fabrication capabilities and experience in the steel fabrication sector. We have expanded our product offerings with manufacturing of containers for surface and marine cargo in almost all classified ISO standard range as well as special and customized varieties comprised of refrigerated ones.

We have an alliance with the leading railway engineering company in the European Union named Tatravagonka Poprad. Our joint venture projects for High Speed LHB Passenger Train Brake System with DAKO-CZ (Czech Republic) has been fully operational with all due approvals received from the Indian Railway. Our second Joint Venture with Kovis Proizvodna (Slovenia) for manufacture of Brake Discs duly approved by the Indian Railways, for all types of Passenger Trains including LHB, Vande Bharat, Metro Coaches with further capacity for export

to the global markets. For all high-speed railway corridors, our third Joint Venture Company with Talleres Alegria S.A (Spain) will produce Flash Butt-Welded CMS Crossings.

We commenced our business as a manufacturer of application-based load bodies for commercial vehicles in the year 1979, through erstwhile Commercial Engineers & Body Builders Co Limited (“**CEBBCO**”) and diversified into manufacturing of locomotive bodies for road and railway transportation, wagons and ISO marine containers for domestic and international use. The present management of the Company, through the erstwhile Jupiter Wagons Limited had invested in CEBBCO in 2019. Pursuant to the scheme of amalgamation dated September 28, 2020 (“**Scheme of Amalgamation**”) and order dated May 13, 2022 passed by the National Company Law Tribunal, Indore Bench and order dated February 28, 2022 by the National Company Law Tribunal, Kolkata Bench (“**NCLT Orders**”), the business of erstwhile Jupiter Wagons Limited, leading manufacturer of freight wagons and railway components was amalgamated with the business of CEBBCO and the name of our Company was changed to “Jupiter Wagons Limited”.

We are led by experienced Promoters and Management, some of whom have significant experience and proven track record in the wagon industry. Our Chairman Emeritus, Shri Murari Lal Lohia has extensive leadership experience in the wagon industry. Further, our Managing Director, Vivek Lohia and our Whole-time Director, Vikash Lohia have an experience of approximately 15 years in the wagon industry. We believe that our market position is a result of the vision of our senior management team and their collective experience in the wagon industry.

Broadly, we divide our business into two parts – one that includes products related to railways (“**Rail mobility**”) which contributes approximately 72.72% of the total revenue of our Company as per the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2022 and the other that includes products related to application-based load bodies for commercial vehicles & containers (“**Non-Rail mobility**”).

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review and may continue to affect our results of operations and financial condition in the future.

Macroeconomic factors in India

The demand for wagons is directly related to the commodity demand in the coal, steel, cement, alumina, automobiles, perishable goods and certain commodity-specific industries, some of which form part of the core sector of the Indian economy. We believe that macroeconomic factors, including growth in the core sector of the Indian economy as well as government spending in railway infrastructure, will have a material impact on our business, results of operations and financial condition going forward.

Cost of raw materials

The principal materials required for our operations include steel plates and sheets, scrap and specialised components such as wheel sets. Our cost of raw materials consumed, after adjustment of purchase of traded goods and (increase)/decrease in inventories of finished goods for the Fiscals 2022, 2021, 2020 and nine-month period ended December 31, 2022 was ₹89,684.40 lakhs, ₹74,162.82 lakhs, ₹9,982.31 lakhs and ₹102,518.76 lakhs, respectively which represents 75.89%,74.34%,77.36% and 75.35% of our revenue from operations, respectively. We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. Our ability to continue to purchase materials on commercially acceptable terms will have a material impact on our business, results of operations and financial condition going forward.

Our dependency on Indian Railways and any adverse change in policy of the Ministry of Railways, GOI

Our business and revenues are substantially dependent on the policies of the MoR and operations of Indian Railways. Our Company has derived a significant portion of its revenues from the Indian Railways and for Fiscal 2022, Fiscal 2021 and Fiscal 2020 and for the nine-month period ended December 31, 2022 the total revenue from Indian Railways was ₹68,055.64 lakh, ₹70,947.77 lakh, ₹1,854.26 lakh and ₹64,129.48 lakh, respectively which represents 59.81%, 72.20%, 15.01% and 47.27% our total revenue respectively. In addition, approximately 28.96% of our Company's order book as at March 31, 2023 consisted of orders from the MoR. Our Company benefits from various programmes and policies of the Indian Railways which facilitate and encourage the involvement of the private sector in railway infrastructure development. These include the Liberalised Wagon Investment Scheme, the Wagon Leasing Scheme, the Automobile Freight Train Operator Scheme and the Special Freight Train Operator Scheme.

Regulations and policies affecting the transportation and logistics sector in India

The Government of India has recently implemented various policies designed to promote the sales of CVs in India. Similarly, the Ministry of Railways has initiated various schemes which are likely to benefit us. Any change in such schemes or withdrawal of such schemes is likely to affect our growth.

Competition

We may also face competition from large Indian and international companies who might consider setting up facilities to manufacture bodies for CVs and railway components in India, with whom we might not be able to compete as successfully.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in the financial statements.

a. Statement of compliance

The Company has prepared its financial statements to comply in all material respects with provisions of the Companies Act, 2013 (the Act) and rules framed thereunder, and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 (as amended from time to time) under Section 133 of the Act.

The financial statements have been prepared on an accrual basis using the historical cost convention, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

b. Basis of preparation

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values and accounting for business combination carried out by the Company during the period. The accounting policies are applied consistently to all the periods presented in the financial statements.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle as per terms of agreements wherever applicable which is period of twelve months. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

c. Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income (OCI)) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income (OCI)) is attributed to the equity holders of the Group and to the non-controlling interests' basis their respective ownership interest and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

Interest in joint ventures is accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.

When the Group's shares of losses in an equity-accounted investment equals or exceeds its interest in the equity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Holding Company to obtain control of subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred by the former owners of acquired entity. Acquisition costs are generally recognised in the statement of profit and loss as incurred.

Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and where exists clear evidence of underlying reasons of classifying business combinations as bargain purchase, the difference is recognised in the other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

d. 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 (₹). The financial statements are presented in ₹ lakhs, which is Company's functional and presentational currency.

e. Revenue recognition

Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Company follows a 5-step process:

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates, price concessions and incentives.

Revenue is recognised either at a point in time, when (or as) the Company satisfies performance obligations by transferring the promised goods to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

Contract assets (Unbilled Revenue)

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. Contract liabilities (Unearned or deferred revenue is recognised when there is 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.

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.

Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Insurance Claim

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

For instruments measured at amortised 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 shorter period, where appropriate, to the gross carrying amount of the financial asset or the amortised 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. Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Costs are incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: costs included cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work-in-progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods is determined on manufacturing cost basis.
- Stores and spares and other consumables are valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

g. Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

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 realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is profitable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date

and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

h. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of these three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i. Foreign currency transactions

Monetary and non-monetary transactions in foreign currencies are initially recorded in 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 foreign currency are translated using the exchange rate at the date of the transaction. The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated foreign currency fluctuations. Such derivatives are stated as fair value. Any gains or losses arising from changes in fair value are taken directly to statement of profit or loss.

j. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments** – The Company subsequently measures all equity investments (other than joint ventures and associates) at fair value (either through profit or loss or through other comprehensive income). Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which is required measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition. The Company assumes that the credit risk on financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement at amortised cost

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Subsequent measurement at fair value

The Company has classified contingent consideration under business combination as financial liability. Such financial liability is subsequently measured at fair value with changes in fair value recognised in profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 Management 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.

l. Property, plant and equipment ('PPE')

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

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.

- (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 useful life, whichever is shorter.

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

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

m. Intangible assets

Recognition, initial measurement and subsequent measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Computer software is amortised over their respective individual estimated useful life on straight line method for 3 to 5 years and customer relationships are amortised over their useful life of 10 years; commencing from the date, the asset is available to the Group for its use.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

An intangible asset is derecognised 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.

n. Capital work-in progress

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Group for the project are shown as capital work-in progress upon capitalisation.

o. Impairment non-financial assets

The carrying amounts of the Group'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, 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", "CGU"). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

p. Right of use of assets and lease liabilities

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys that right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Group as a lessee

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modifications, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on straight-line basis over the lease term.

q. Borrowing Costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

r. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligations. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligation which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligations or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

s. Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefits plans

Gratuity: The Group has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/credited to other comprehensive income.

Compensated absences: Liability for compensated absences that are not short term, are determined on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/credited to profit or loss.

Short-term employee benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u. 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 Group's Management to allocate resources to the segments and assess their performance.

v. Asset held for sale

The Group 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 Non-current assets held for sale are not depreciated or amortised.

PRINCIPAL COMPONENTS OF INCOME AND EXPENTURE

Income

Total income comprises of (a) revenue from operations and (b) other income.

Revenue from Operations

Revenue from operations comprises revenue from sale of products, revenue from sale of services i.e. job work charges and other operating revenues which includes sale of scrapes, others and duty drawback.

Other Income

Other income comprises of (i) interest income from bank deposits and others (ii) provisions/liabilities no longer required written back (iii) gain on foreign exchange fluctuation (net) (iv) profit on sale of property, plant and equipment (iv) profit on disposal of asset held for sale, (v) other financial assets carried at amortised costs and (vi) miscellaneous income.

Expenses

Cost of Raw Material consumed

Cost of material represents raw material consumed such as steel, rail wheel and other steel components.

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

Changes in inventories represents finished goods, work in progress and trade goods represent the difference between the opening and closing stock of finished goods and work in progress.

Employee benefit expenses

Employee benefit expenses predominantly comprises of salaries and wages, contribution to provident and other fund and staff welfare expenses.

Finance Cost

Finance cost includes interest expense on financial liabilities at amortised cost such as Term Loan, working capital, others, lease liability and other borrowing costs.

Depreciation and amortisation expense

Depreciation and amortisation expenses comprises of depreciation on property, plant and equipment, depreciation on right to use assets and amortisation of intangible assets.

Other expenses

Other expenses includes expenses towards Labour charges, power and fuel, repair and maintenance of buildings, plant and machinery and others, stores and spares consumption, drawing and design charges, technical and supervisory services, rent, insurance, rates and taxes, travelling and conveyance, vehicles running, printing and stationery, freight and transport, sales expenses, legal and professional charges, directors sitting fees, allowance for doubtful advances, allowance for doubtful debts, bad debts written off, provision for irrecoverable balance, hiring charges, advertisement and subscription, auditor's remuneration, corporate social responsibility expense, deposits written off, shunting charges, membership, loss on foreign exchange fluctuation (net) and miscellaneous expenses.

RESULTS OF OPERATIONS FOR THE NINE MONTHS PERIOD ENDED ON DECEMBER 31, 2022 AND THE NINE MONTHS PERIOD ENDED ON DECEMBER 31, 2021.

The following table sets forth select financial information from the Consolidated Unaudited Financial Results for the nine-month period ended December 31, 2022 and December 31, 2021, the components of which are also

expressed as a percentage of total income for such periods:

Particulars	For the nine months period ended			
	December 31, 2022 (in lakhs)	Percentage of total income (%)	December 31, 2021 (in lakhs)	Percentage of total income (%)
Income				
Revenue from operations	1,35,654.72	99.70	81,574.55	99.71
Other income	407.91	0.30	235.91	0.29
Total income	1,36,062.63	100.00	81,810.46	100.00
Expenses				
a) Cost of materials consumed	1,04,471.11	76.78	63,005.73	77.01
b) Change in inventories of work-in-progress and finished goods	(1,952.35)	-1.43	(1,679.55)	-2.05
c) Employee benefits expense	3,064.76	2.25	2,435.83	2.98
d) Finance Cost	2,016.37	1.48	1,333.91	1.63
e) Depreciation and amortisation expense	1,878.10	1.38	1,747.23	2.14
f) Other expenses	14,087.50	10.35	9,526.17	11.64
Total Expenses	1,23,565.49	90.82	76,369.32	93.35
Profit before share in net profit/(loss) of joint venture and tax	12,497.14	9.18	5,441.14	6.65
Share of (loss) of Joint ventures	(204.26)	-0.15	(14.07)	-0.02
Profit before tax	12,292.88	9.03	5,427.07	6.63
Tax expenses	-	-	-	-
Current tax	-	-	-	-
Deferred tax	4,146.75	3.05	1,839.69	2.25
Total tax expenses	4,146.75	3.05	1,839.69	2.25
Profit for the period	8,146.13	5.99	3,587.38	4.39

Total income

Total income increases by ₹54,252.17 lakh or by 66.31%, from ₹81,810.46 lakh during nine months period ended December 31, 2021 to ₹ 136,062.63 lakh during nine months period ended December 31, 2022 for the reasons discussed below.

Revenue from operations

Revenue from operations increased from ₹81,574.55 lakhs during nine month period ended December 31, 2021 to ₹1,35,654.72 lakhs during nine month period ended December 31, 2022, representing an increase of 66.30%. This increase was primarily due to growth in sales volume and price of the freight wagons, CMS crossings, application-based load bodies for commercial vehicles and introduction of new products such as ISO container. Details of such increase in sales volume is mentioned below:

Particulars	For the nine months period ended	
	December 31, 2022	December 31, 2021
	in nos.	in nos.
Railway Wagons	2,815	1,825
CMS Crossing	1,211	1,389
Application based load bodies for Commercial Vehicle	5,455	5,707
ISO Containers	1,088	60

Other income

Other income increased to ₹407.91 lakhs during nine-month period ended December 31, 2022 from ₹235.91 lakhs during nine-month period ended December 31, 2021 representing an increase of 72.91%. This increase was

primarily due to interest income on deposits of ₹239.78 lakhs, gain on foreign exchange fluctuation of ₹30.43 lakh and income arising on disposal of assets of ₹17.64 lakhs and other miscellaneous income of ₹120.05 lakhs.

Total expenses

Total expenses increased by ₹47,196.17 lakhs or by 61.80%, from ₹76,369.32 lakh in nine months period ended December 31, 2021 to ₹1,23,565.49 lakh in nine months period ended December 31, 2022. This was primarily due to an increase in the cost of material consumed, employee benefit expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of material consumed

Cost of material consumed increased to ₹1,04,471.11 lakhs during nine-month period ended December 31, 2022 from ₹63,005.73 lakhs during nine-month period ended December 31, 2021 representing an increase of 65.81%. This increase can be attributed to the cost of material consumed including change in inventory which is directly proportional to cost of production. The increase is mainly due to increase in the sales/production volume and introduction of new product, namely ISO container.

Changes in inventories of work in progress and finished goods

Changes in inventories of work in progress and finished goods, for nine-month period ended December 31, 2022 stood at (₹1,952.35) lakhs as compared to (₹1,679.55) lakhs in nine-month period ended December 31, 2021.

Employee benefit expense

Employee benefit expenses increased to ₹3,064.76 lakhs during nine-month period ended December 31, 2022 from ₹2,435.83 lakhs during nine-month period ended December 31, 2021, representing an increase of 25.82%. This increase was primarily due to increase in number of employees and the increments in employees benefit.

Finance cost

Finance cost increased to ₹2,016.37 lakhs during nine-month period ended December 31, 2022 from ₹1,333.91 lakhs during nine-month period ended December 31, 2021 representing an increase of 51.16%. The increase of ₹682.46 lakhs was primarily due to utilisation of working capital limit and issue of bank guarantee for procuring new wagon orders and letter of credit for procurement of raw materials.

Depreciation and amortization expense

Depreciation and amortization expenses marginally increased to ₹1,878.10 lakhs during nine-month period ended December 31, 2022 from ₹1,747.23 lakhs during nine-month period ended December 31, 2021 representing an increase of 7.49%. This increase was primarily due to purchase of new capital assets of ₹1,867,67 lakhs.

Other expenses

Other expenses increased to ₹14,087.50 lakhs during nine-month period ended December 31, 2022 from ₹9,526.17 lakhs during nine-month period ended December 31, 2021 representing an increase of 47.88%. This increase was primarily due to increase in labour charges, power and fuel costs and increase in stores and spares consumption. The labour charges increased by ₹1,122.21 lakhs, power and fuel increased by ₹395.30 lakhs and stores and spares consumption increased by ₹213.21 lakhs. Legal and professional expenses also increased by ₹775.46 lakhs which includes the expenses related to Scheme of Arrangement. The other increase are related to increase in designing charges of ₹1,063.60 lakh, increase in travelling expenses of ₹290.14 lakhs.

Profit before tax

Profit before tax increased to ₹12,292.88 lakhs during nine-month period ended December 31, 2022 from ₹5,427.10 lakhs during nine-month period ended December 31, 2021, representing an increase of 126.51%. This increase was primarily due to the reasons mentioned above.

Tax expenses

Tax expenses increased to ₹4,146.76 lakhs in nine-month period ended December 31, 2022 from ₹1,839.69 lakhs in nine-month period ended December 31, 2021. Current tax was nil, the tax component includes deferred tax charged @30% plus applicable surcharge and cess. Such increase was primarily due to increase in the profit of the Company.

Profit for the period

Due to the reasons stated above, our profit for the year increased by ₹4,558.72 lakh or by 127.08% from ₹3,587.41 lakhs in nine-month period ended December 31, 2021 to ₹8,146.13 lakhs in nine-month period ended December 31, 2022.

RESULTS OF OPERATIONS FOR THE FISCALS ENDED MARCH 31, 2022 AND MARCH 31, 2021.

Particulars	Fiscal 2022 (in lakhs)	Percentage of total income (in %)	Fiscal 2021 (in lakhs)	Percentage of total income (in %)
Income				
Revenue from operations	1,17,835.40	99.71	99,575.02	99.82
Other income	339.14	0.29	183.22	0.18
Total income	1,18,174.54	100.00	99,758.24	100.00
Expenses				
Cost of material consumed	91,688.65	77.59	73,962.83	74.14
Changes in inventories of finished goods, work-in-progress and traded goods	(2,004.25)	-1.70	198.99	0.20
Employee benefits expense	3,382.97	2.86	2,620.43	2.63
Finance costs	1,816.69	1.54	2,111.94	2.12
Depreciation and amortisation expenses	2,337.67	1.98	2,117.50	2.12
Other expenses	13,357.37	11.30	12,160.06	12.19
Total expenses	1,10,579.10	93.57	93,171.75	93.40
Profit before share in net profit/(loss) in joint ventures and tax	7,595.44	6.43	6,586.49	6.60
Share in loss of joint ventures	(31.02)	-0.03	(7.19)	-0.01
Profit before tax	7,564.42	6.40	6,579.30	6.60
Tax expense				
- Current tax	-	-	-	-
- Tax adjustments related to earlier years	-	-	26.74	0.03
- Deferred tax	2,598.93	2.20	1,212.93	1.22
Profit after tax	4,965.49	4.20	5,339.63	5.35

Fiscal 2022 compared with Fiscal 2021

Total income

Total income increase by ₹18,416.30 lakh or by 18.46% from ₹99,758.24 lakh during the Fiscal 2021 to ₹1,18,174.54 lakh during the Fiscal 2022 for the reasons discussed below.

Revenue from operations

Revenue from operations increased to ₹1,17,835.40 lakhs during Fiscal 2022 from ₹99,575.02 lakhs during Fiscal 2021, representing an increase of 18.34% on account of increase in sales of railway wagons and load bodies components as well as increase in sale of new product i.e. ISO container. Details of such increase in sales volume is mentioned below:

Particulars	For the year ended	
	March31, 2022	March 31, 2021
	in nos.	in nos.
Railway Wagons	2,441	2,641
CMS Crossing	2,013	1,745
Application based load bodies for Commercial Vehicle	8,591	7,107
ISO Containers	562	-

Other income

Other income increased to ₹339.14 lakhs during the Fiscal 2022 from ₹183.22 lakhs during the Fiscal 2021 representing an increase of 85.10%. This increase was primarily due to increase in interest on deposits of ₹53.10 lakhs, liabilities no longer required to be written back of ₹76.41 lakhs, gain on foreign exchange fluctuation of ₹ 9.46 lakhs.

Total expenses

Total expenses increased by ₹17,407.35 lakhs or by 18.68%, from ₹93,171.75 lakh during the Fiscal 2021 to ₹1,10,579.10 lakh during the Fiscal 2022. This was primarily due to an increase in the cost of material consumed, employee benefit expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of material consumed

Cost of material consumed increased to ₹91,688.65 lakhs during the Fiscal 2022 from ₹73,962.83 lakhs during the Fiscal 2021 representing an increase of 23.97%. This increase can be attributed to the cost of material consumed including change in inventory which is directly proportional to cost of production. The increase is mainly due to increase in the sales/production volume and introduction of new product, namely ISO container.

Changes in inventories of work in progress and finished goods

Changes in inventories of work in progress and finished goods, for the Financial Year 2022 stood at ₹(2,004.25) lakhs as compared to ₹198.99 lakhs for the Financial Year 2021.

Employee benefit expense

Employee benefit expenses increased to ₹3,382.97 lakhs during the Fiscal 2022 from ₹2,620.43 lakhs during the Fiscal 2021, representing an increase of 29.10%. This increase was primarily due to annual appraisal/ increments, higher staff welfare expenses and due to change in actuarial estimate owing to change in discounting rates.

Finance cost

Finance cost decreased to ₹1,816.69 lakhs during the Fiscal 2022 from ₹2,111.94 lakhs during the Fiscal 2021 representing a decrease of 13.98%. This decrease was primarily due to lower rate of interest on borrowings and greater efficiency in treasury management.

Depreciation and amortization expense

Depreciation and amortization expenses marginally increased to ₹2,337.67 lakhs during the Fiscal 2022 from ₹2,117.50 lakhs during the Fiscal 2021 representing an increase of 10.40%. This increase was primarily due to purchase of new capital assets of ₹3,222.59 lakhs.

Other expenses

Other expenses increased to ₹13,357.37 lakhs during the Fiscal 2022 from ₹12,160.06 lakhs during the Fiscal 2021 representing an increase of 9.85 %. This increase can be primarily attributed to direct costs like labour charges, power and fuel and stores and spares consumption which are in directly proportional to cost of production. The labour charges increased by ₹609.77 lakhs, power and fuel increased by ₹147.69 lakhs and stores and spares consumption increased by ₹665.51 lakhs. The other increase are related to travelling expenses by ₹213.62 whereas designing charges decreased by ₹300.95 lakhs and rates and taxes decreased by ₹197.70 lakhs. The balance

increase is related to other business expenses.

Profit before tax

Profit before tax increased to ₹7,564.42 lakhs during the Fiscal 2022 from ₹6,579.30 lakhs during the Fiscal 2021, representing an increase of 14.97%. This increase was primarily due to the reasons mentioned above.

Tax expenses

Tax expenses increased to ₹2,598.93 during the Fiscal 2022 from ₹1,239.67 lakhs during the Fiscal 2021. Such increase was primarily due to increase in the deferred tax asset rates for the periods being compared. In March 2021, the deferred tax charged was around 18.84% (inclusive surcharge) due to accumulated merger accounting adjustments which was effective from 1st October, 2019 as compared to the deferred tax rate of 34.36% (inclusive surcharge) for the Fiscal 2022.

Profit for the period

Due to the reasons stated above, our profit for the year decreased by ₹374.14 lakh or by 7.01% from 5,339.63 lakhs in the Fiscal 2021 to ₹4,965.49 lakhs in the Fiscal 2022.

RESULTS OF OPERATIONS FOR THE FISCAL ENDED MARCH 31, 2020.

Particulars	Fiscal 2020 (in lakhs)	Percentage of total income (in %)
Income		
Revenue from operations	12,574.39	97.45
Other income	329.35	2.55
Total income	12,903.74	100.00
Expenses		
Cost of material consumed	12,072.33	93.56
Changes in inventories of work-in-progress and scrap	(2,090.02)	-16.20
Employee benefits expense	901.98	6.99
Finance costs	627.17	4.86
Depreciation and amortisation expenses	831.74	6.45
Other expenses	1,481.41	11.48
Total expenses	13,814.61	107.06
Exceptional items	655.12	5.08
Profit/ (loss) before tax	(255.75)	-1.98
Tax expense		
- Current tax	-	
- Tax adjustments related to earlier years	(241.78)	-1.87
Profit after tax	(13.97)	-0.11

AMALGAMATION OF ERSTWHILE JUPITER WAGONS LIMITED INTO AND WITH COMMERCIAL ENGINEERS & BODY BUILDERS CO. LTD.

Pursuant to the scheme of amalgamation dated September 28, 2020, and approved vide orders of the National Company Law Tribunal, Kolkata Bench dated February 28, 2022, and National Company Law Tribunal, Indore Bench dated May 13, 2022, erstwhile Jupiter Wagons Limited was amalgamated into and with Commercial Engineers & Body Builders Co. Ltd. with the appointed date being October 1, 2019. The business acquired from CEBBCO consists of three business verticals, namely (i) commercial vehicles (ii) containers and (iii) heavy fabrication. This further includes the manufacture and supply of products including heavy vehicles and bodies, mining, ambulated vehicles, refrigerated tankers, defence service vehicles, rail freight wagons and body wagon components.

On account of the amalgamation, financials for the Fiscal 2022 and Fiscal 2021 were restated and therefore comparative analysis for these two fiscal years is feasible. However, the financials for Fiscal 2020 were not restated hence it becomes difficult to compare Fiscal 2020 with Fiscal 2021 since results of operations and financial conditions for the said period is not strictly comparable due to amalgamated business and operations, enhanced assets, suppliers, and customer base. Therefore, we have not compared financials for Fiscal 2020 with Fiscal 2021 and included comparative analysis for the financials nine month period ended on December 31, 2021 with December 31, 2022.

CASH FLOWS

The following table summarizes our consolidated cash flow for the Fiscals 2022 and 2021:

Particulars	(₹in lakhs)	
	Fiscal 2022	Fiscal 2021
Net cash flow from operating activities	5,951.92	6,737.57
Net cash used in investing activities	(4,910.75)	(6,019.72)
Net cash (used in) financing activities	(1,675.93)	2,239.11
Net (decrease)/ increase in cash and cash equivalents	4,069.91	4,704.67

Operating Activities

Fiscal 2022

In Fiscal 2022, net cash flow from operating activities was ₹5,951.92 lakhs and the operating profit before working capital changes was ₹11,472.79 lakhs. The changes in working capital was primarily due to increase in inventories of ₹(7,513.46) lakhs, decrease trade receivables of ₹72.03 lakhs, increase in other financial assets of ₹(534.56), increase in other assets of ₹(730.81) lakhs, increase in trade payables of ₹260.03, increase in other financial liabilities of ₹116.11 lakhs, increase in other liabilities of ₹2,858.54 lakhs and increase in provisions of ₹109.25 lakhs.

Fiscal 2021

In Fiscal 2021, net cash flow from operating activities was ₹6,737.57 lakhs and the operating profit before working capital changes was ₹10,907.85 lakhs. The changes in working capital was primarily due to increase in inventories of ₹(5,937.66) lakhs, increase in trade receivables of ₹(3,457.82) lakhs, increase in loans of ₹(16.98), increase in other financial assets of ₹(1,130.24), increase in other assets of ₹(348.38) lakhs, increase in trade payables of ₹2,560.73 lakhs, increase in other financial liabilities of ₹63.03 lakhs, increase in other liabilities of ₹ 4,480.85 lakhs and decrease in provisions of ₹ 51.01 lakhs.

Investing Activities

Fiscal 2022

In Fiscal 2022, net cash used in investing activities was ₹(4,910.75) lakhs. This primarily included capital expenditure on property, plant and equipment, capital work in progress and intangible assets of ₹(3,668.38) lakhs, proceeds from assets held for sale of ₹ 77.50 lakhs, proceeds from sale of property, plant and equipment of ₹ 31.07 lakhs, investment in bank deposits of ₹ (828.28) lakhs, investment in shares of other entity ₹ (614.05), investment in mutual funds ₹ (1.06) lakhs, dividend received of ₹ 1.19 lakhs and interest received of ₹ 91.26 lakhs.

Fiscal 2021

In Fiscal 2021, net cash used in investing activities was ₹(6,019.72) lakhs. This primarily included capital expenditure on property, plant and equipment, capital work in progress and intangible assets of ₹(2,999.79) lakhs, proceeds from assets held for sale of ₹32.75 lakhs, investment in bank deposits of ₹ (2,880.89) lakhs, investment in shares of other entity ₹ (175.60) lakhs, investment in mutual funds ₹ (33.43) lakhs, dividend received of ₹ 0.48 lakhs and interest received of ₹ 36.76 lakhs.

Financing Activities

Fiscal 2022

In Fiscal 2022, net cash used in financing activities was ₹(1,675.93) lakhs. This primarily included proceeds from short term borrowings of ₹341.27 lakhs, repayment of long term borrowings of ₹ (1,198.39) lakhs, proceeds from long term borrowings of ₹ 1,000.00 lakhs, repayment of lease liabilities of ₹ (6.06) lakhs and Finance cost paid on borrowings of ₹ (1,286.08) lakhs and Finance cost paid on others of ₹ (526.67) lakhs.

Fiscal 2021

In Fiscal 2021, net cash used in financing activities was ₹(2,239.11) lakhs. This primarily included proceeds from issue of equity share capital of ₹8,500.00 lakhs, Repayment from short term borrowings of ₹ (1,328.92) lakhs, repayment of long term borrowings of ₹ (3,303.48) lakhs, proceeds from long term borrowings of ₹ 500.00 lakhs, repayment of lease liabilities of ₹ (7.86) lakhs and Finance cost paid on borrowings of ₹ (1,838.34) lakhs and Finance cost paid on others of ₹ (282.29) lakhs.

CONTINGENT LIABILITIES

As of March 31, 2022, our contingent liabilities as disclosed in the notes to our Audited Financial Statements aggregated to ₹4,328.06 lakhs. The details of our contingent liabilities are as follows:

Particulars	As at March 31, 2022 (₹ in lakhs)
Income tax matters	682.30
Excise duty and service tax matters	2,061.49
Sales tax and entry tax matters	1,584.27
Total	4,328.06

CAPITAL AND OTHER COMMITMENTS

Capital Commitments

At December 31, 2022, the estimated amount of contract remaining to be executed on capital account and not provided in the books (net of capital advances) are as follows:

Particulars	As at December 31, 2022 (₹ in lakhs)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	264.01
Total	264.01

Other commitments

The Group does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

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.

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. The Company's finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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: foreign currency risk, interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

INTEREST COVERAGE RATIO

The interest coverage ratio, which we define as earnings before interest, depreciation and tax divided by finance cost for Fiscals 2022, 2021 and 2020 was 5.10, 4.51 and 2.47 times respectively.

CHANGES IN ACCOUNTING POLICY

The Group has prepared its consolidated financial statements to comply in all material respects with the provisions of the Companies Act and rules framed thereunder. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act and other relevant provisions of the Companies Act.

RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS BY STATUTORY AUDITORS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2020, 2021 and 2022 and the nine months ended December 31, 2022, except as set out below.

Fiscal/Period	Emphasis of Matter	Impact on the Financial Statements and Financial Position of the Company
Nine months ended December 31, 2022	Nil	Nil
Fiscal 2022	The Company has accounted for the Scheme of Amalgamation ("the Scheme") between the Holding Company and erstwhile Jupiter Wagons Limited ("Transferor company") from the appointed date i.e. 1 October 2019, pursuant to the approval received from the National Company Law Tribunal vide its order dated 13 May 2022 which has resulted in the restatement of the comparative financial statements for the preceding year ended 31 March 2021.	Nil
Fiscal 2021	Nil	Nil
Fiscal 2020	Nil	Nil

Also see, "Risk Factors - Our statutory auditors have included certain emphasis of matters in relation to our Company in our Fiscal 2022 Audited Financial Statements" on page 60.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Placement Document, including under “*Business*”, “*Risk Factors*” and in this section, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Placement Document which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

INDUSTRY OVERVIEW

Economic Outlook

Global economy outlook

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in October 2022, the world economy grew by 6 % in CY21 majorly due to economic recovery and the lower base. For CY22, projection for global economic growth slashed to 3.2% citing disruptions due to the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The CY23 is projected to slow down further to 2.7% mainly due to tightening global financial conditions, expectations of steeper interest rate hikes by major central banks to fight inflation, a sharper slowdown in China and spill over effects from the war in Ukraine with gas supplies from Russia to Europe tightening. The IMF projects world economy growth between 2.6%-3.3% on year on year (Y-o-Y) basis for next 5 years.

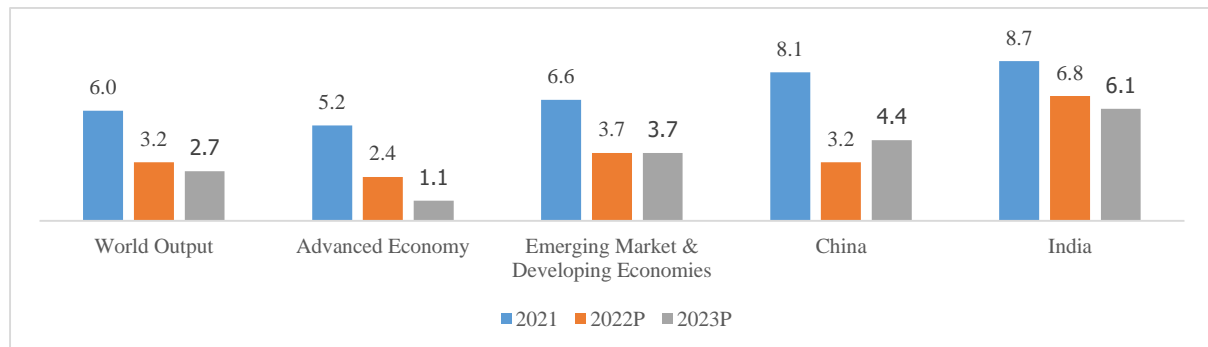
IMF revised the GDP growth outlook considering uncertainties relating to global inflation

Advanced Economies Group

For the major Advanced economies group, the GDP growth is projected to be lower at 2.4% in CY22 and 1.1% in CY23. One of the major countries from this group is United States.

The growth in Euro Area is comparatively less pronounced than that in United States, which displays average of performance of the member countries in Euro Area. Recovery in tourism related services and industrial production in Italy and Spain, Russian gas supply cuts, tighter financial conditions, with rapidly rising policy rate reflects upward revision of 0.5 percentage point in CY22 and downward revision 0.7 percentage point in CY23.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection

**For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.*

Source: IMF – World Economic Outlook, October-2022

Emerging market and developing economies group

For the Emerging market and developing economies group, GDP growth is expected to decline to 3.7% in CY22 and sustain at that level in CY23. This downgrade is primarily reflection of sharp slowdown of China's economy and the moderation in India's economic growth.

The estimates for India's GDP growth have been downgraded to 6.8% in CY22 and 6.1% in CY23. This downgrade is majorly reflection of weaker-than-expected outturn in the second quarter and more subdued global demand.

India to remain fastest growing economy transcending China

Despite of the turmoil in last two-three years, India bears good tidings for becoming USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices for India, the current GDP is estimated to be at USD 3.5 trillion for CY22 and projected to be at USD 5.5 trillion by CY27. The expected GDP growth rate of India for coming years is almost double as that of world economy.

Indian Economy Outlook

GDP growth and Outlook

Resilience to external shocks remains critical for near-term outlook

The Indian economy bounced back strongly in Q1FY22 with 20.1% y-o-y growth due to lower base effect. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity as reflected in the GDP for the Q2FY22, which grew annually by 8.4%. The dip in Q3FY22 of 5.4% can be attributed to the fading base effect. India's economy recorded modest growth of 4.1% in Q4FY22, down from 5.4% in the previous quarter. The economy was hit by the third wave of Covid-19 pandemic during the quarter. Global supply bottlenecks due to the Russia-Ukraine dispute and higher input costs slowed down the pace of recovery in the last quarter. Overall, India is expected to have witnessed 8.7% growth in FY22.

In Q1FY23, India recorded 13.5% growth in GDP which can largely be attributed better performance by agriculture and services sectors. Following to this double-digit growth, Q2FY23 witnessed 6.3% growth. This slowdown in growth compared to the previous quarter can be accounted to the normalization of the base and a contraction in the manufacturing sector's output. Prospectively, the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects in FY23. However, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential.

GDP growth outlook

RBI's GDP Growth Outlook (Y-o-Y %)

Q3FY23	Q4FY23	FY23 (complete year)	Q1FY24	Q2FY24
4.4	4.2	6.8	7.1	5.9

Source: Reserve Bank of India

With improvement in demand for contact-intensive sectors as well as positive business and consumer sentiment, the discretionary spending and urban consumption is expected to bolster economic growth. Along with increasing government support and push towards capex, the investment activities are expected to stay upright through improving bank credit and rising capacity utilization. On the other hand, headwinds from geopolitical tensions, tightening global financial conditions and the slowing external demand pose downside risks to net exports and hence to India's GDP outlook.

Taking all these factors into consideration, in December 2022, the RBI in its bi-monthly monetary policy meeting estimated the real GDP growth to be at 6.8% for FY23.

Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth has turned positive in FY22 (after a gap of two years) as a result of robust tax collections. Of the three major sector heads, service sector has been fastest growing sector in the last 5 years.
- Industrial sector witnessed CAGR of 4.7% for the period FY16 to FY19. From the March 2020 month onwards, nation-wide lockdown due to the pandemic had a significant impact on industrial activity. With the opening up of economy and resumption of industrial activity, FY22 registered 10.3% growth which also has a lower base effect.

The industrial output in Q1FY23 jumped 8.6% on y-o-y basis. However, sequentially the sector witnessed a sharp contraction due to lower output across mining, manufacturing and construction sectors. Further to this, Q2FY23

contracted by 0.8%. This was mainly because of the poor performance by the manufacturing sector which has been marred by high input costs. In the coming quarters, easing of commodity price pressures and prospects of improvement in consumption demand due to festive push are potential attributes to support growth in the manufacturing sector. With this, the industrial sector is expected to register 4.1% growth in FY23.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

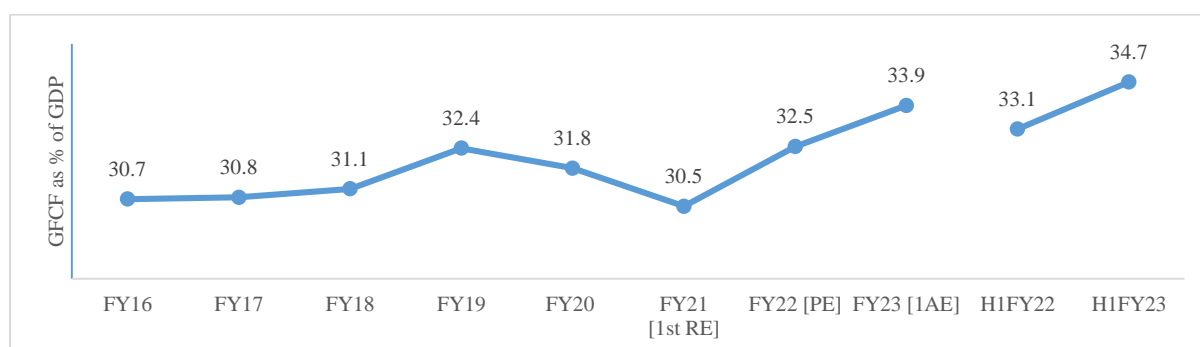
At constant Prices	FY18	FY19	FY20	FY21	FY22	FY23 (AE)	Q1FY23	Q2FY23
Agriculture, forestry & fishing	6.6	2.1	5.5	3.3	3.0	3.5	4.5	4.6
Industry	5.9	5.3	-1.4	-3.3	10.3	4.1	8.6	-0.8
Mining & quarrying	-5.6	-0.8	-1.5	-8.6	11.5	2.4	6.5	-2.8
Manufacturing	7.5	5.4	-2.9	-0.6	9.9	1.6	4.8	-4.3
Electricity, gas, water supply & other utility services	10.6	7.9	2.2	-3.6	7.5	9.0	14.7	5.6
Construction	5.2	6.5	1.2	-7.3	11.5	9.1	16.8	6.6
Services	6.3	7.2	6.3	-7.8	8.4	9.1	17.6	9.3
Trade, hotels, transport, communication & broadcasting	10.3	7.2	5.9	-20.2	11.1	13.7	25.7	14.7
Financial, real estate & professional services	1.8	7.0	6.7	2.2	4.2	6.4	9.2	7.2
Public administration, defence and other services	8.3	7.5	6.3	-5.5	12.6	7.9	26.3	6.5
GVA at Basic Price	6.2	5.8	3.8	-4.8	8.1	6.7	12.7	5.6

AE – Advanced Estimate; Source: MOSPI

Investment trend in infrastructure

Gross Fixed Capital Formation (GFCF) which is a measure of the net increase in physical asset, is estimated to have made an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.5%, which is the second highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCE) to GDP inched up to its highest in the last decade with 33.9% as per the advanced estimate released.

Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



PE: Provisional Estimates, RE: Revised Estimate, AE: Advanced Estimate; Source: MOSPI

Overall, support of public investment in infrastructure is likely to gain traction from the ethos of Atmanirbhar Bharat.

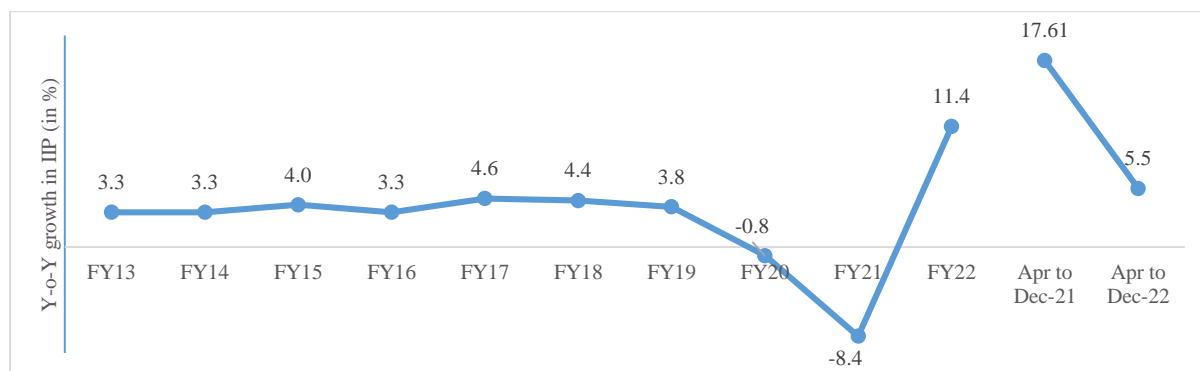
Industrial Growth

Improved core sector and capital goods sector helps in IIP growth momentum

Index of Industrial production (IIP) is an index to track manufacturing activity in an economy.

On a cumulative basis, IIP grew by 11.4% in FY22. However, this high growth is mainly backed by a low base of FY21. FY22 IIP was higher by 2.0% when compared with the pre-pandemic level of FY20, indicating that while economic recovery is underway, it is still very nascent.

Y-o-Y growth in IIP (in %)



Source: MOSPI

Going ahead, moderating inflation in the economy is likely to be supportive of domestic demand in the months to come. Easing of global commodity prices is also expected to aid the manufacturing sector in the coming quarter by reducing the input cost.

Concluding Remarks

Despite the global growth uncertainties, Indian economy is relatively better placed. The major headwinds to economic growth are escalating geopolitical tensions, volatility in global commodity prices and shortages of key inputs. However, the bright spots for the economy are continued healthy demand, support from government capital expenditure and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the FY23.

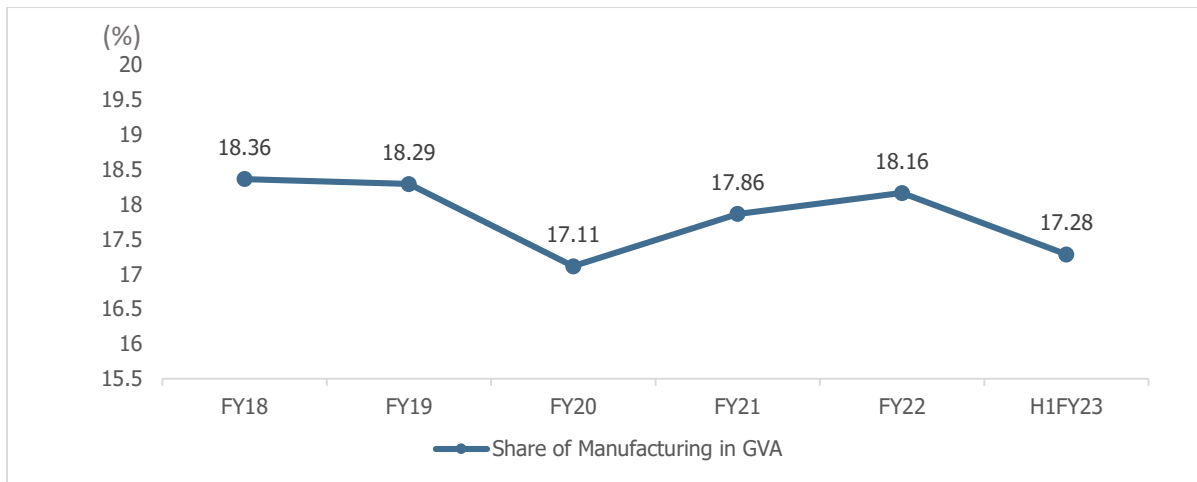
Despite high food and fuel inflation pressure, the normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

Public investment is expected to exhibit healthy growth as the government has budgeted for strong capital expenditure in FY23. The private sector's intent to invest is also showing improvement as per the data on new investment projects announced. However, the volatility in commodity prices and the economic uncertainties emanating from global turbulence is likely to slow down the pick-up in the private capex and investment cycle. Among sectors, the industrial segment is expected to be negatively impacted due to high input prices. Nonetheless, with flagship programmes like 'Make in India' and the Production Linked Incentive (PLI) schemes, the government is continuing to provide the support to boost the industrial sector. Service sector are expected to see a bounce back in FY23 with good economic revival and growth. However, in the services sector, some segments like Information Technology would feel the pinch of slowdown in the US and European economy.

Manufacturing Industry Overview

As per National Industrial Classification, 24 activities make up the manufacturing sector in India which are broadly classified under food products, beverages and tobacco, textiles, apparel and leather products, metal products, machinery and equipment and other manufactured goods. The domestic manufacturing industry, currently pegged at Rs 25 trillion in terms of GVA at constant prices, contributed 18.16% to the country's GVA in FY22. Currently, approximately 65 million workers are employed in the domestic manufacturing industry.

Contribution of Domestic Manufacturing Industry to GDP

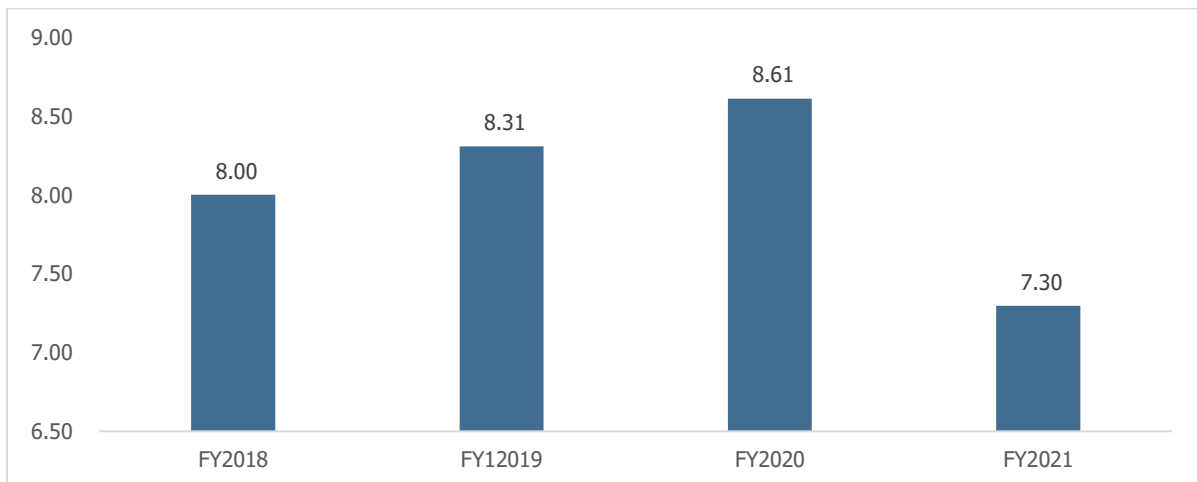


Source: MOSPI

Contribution of Transportation Sector to Indian Economy

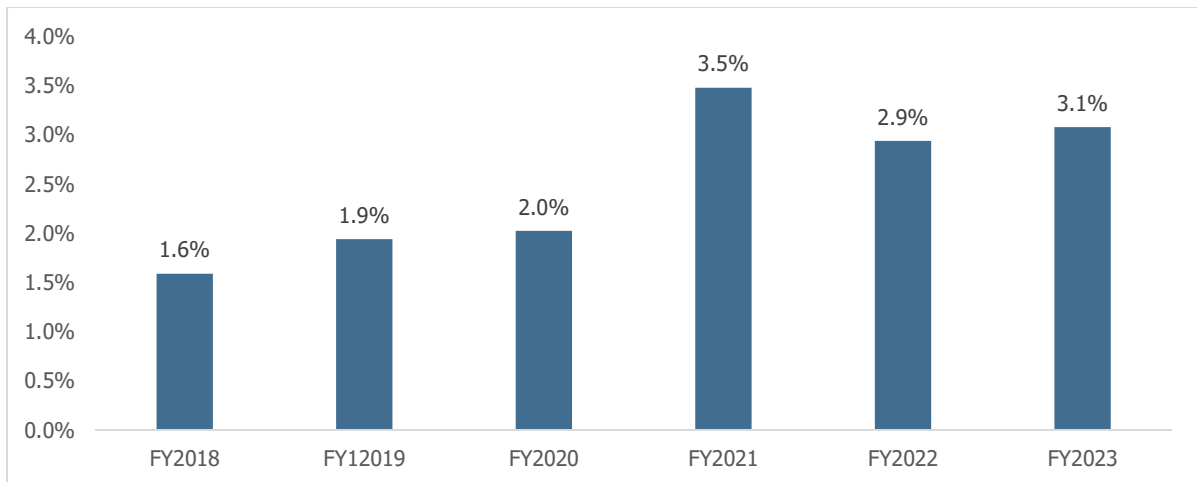
Transportation - rail, road, air and maritime – plays a very important role in the economic growth of a country. Expansion of transportation infrastructure enables efficient movement of raw materials, finished goods, labour, equipment etc. and opens up new markets. Owing to these factors, transportation infrastructure development has been one of the foremost focus areas of the Indian Government, as evident from the increasing budgetary outlay towards the transportation sector.

Contribution of Transport sector to GDP



Source: Indian Railway budget and MOSPI

Railway Budget to GDP



Source: Indian Railway budget and MOSPI

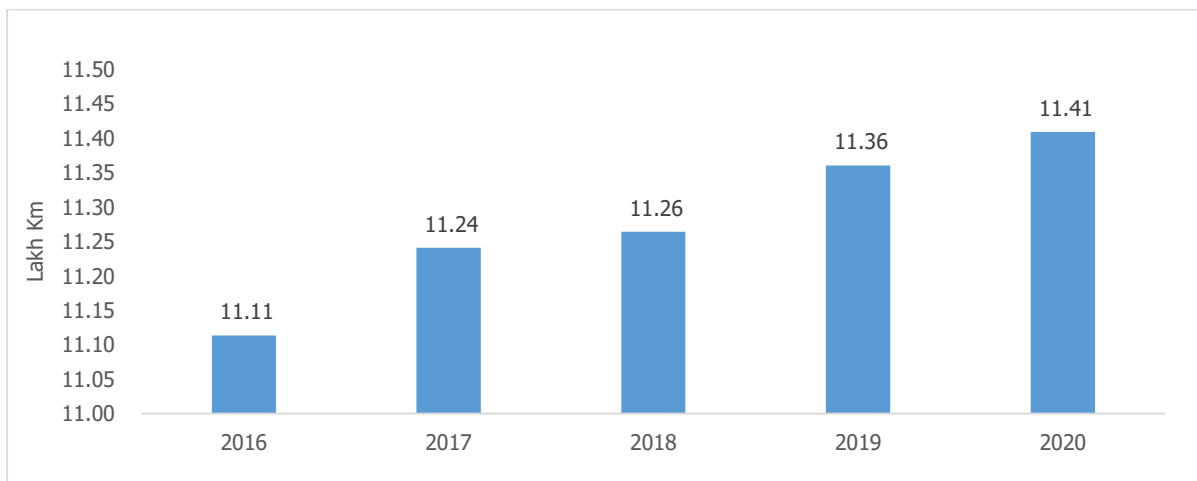
Railway Infrastructure Industry

Overview

Railways is one of the most efficient and cost-effective mode of transport globally as it can carry higher numbers of passengers and cargo at higher speed over long distances. It is also the most environment friendly mode of land transport with much lower energy consumption and carbon dioxide emission compared to roadways or waterways.

As per the International Union of Railways, the world railway lines stood at 11.4 lakh km at the end of 2020 with Asia and Oceania having the largest share of 31.6%.

Trend in Global Railway Track Length

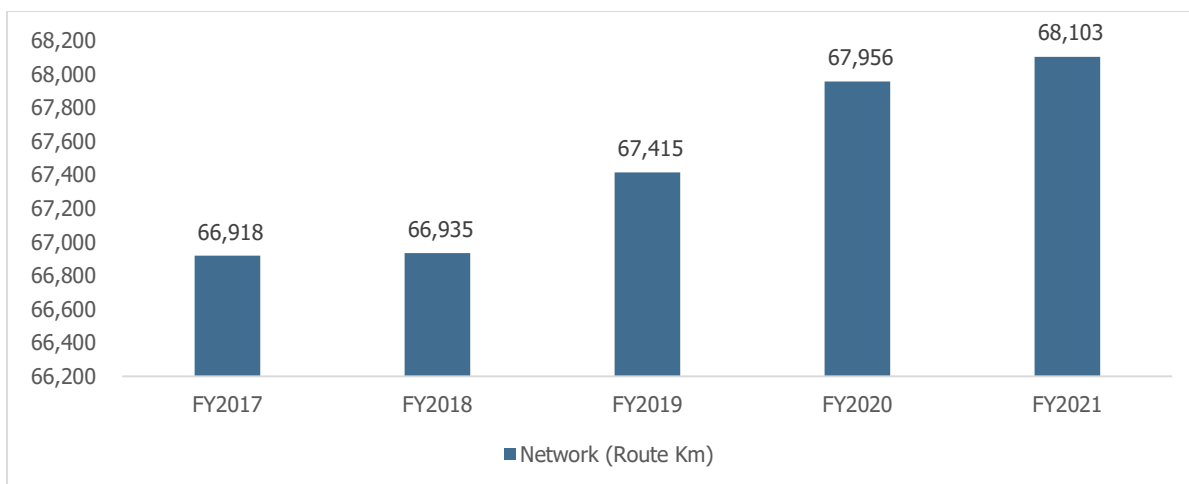


Source: International Union of Railways

Indian Railways is the 4th largest railway system in the world behind US, Russia and China with total track length of 1,26,611 km over 68,103 km of the route along with 7,337 stations as of FY21. The number of passengers carried and freight transported has been on the rise over the past few years. In FY22, Indian Railways carried 8,594 million passengers and transported 1,418 million tonnes of cargo.

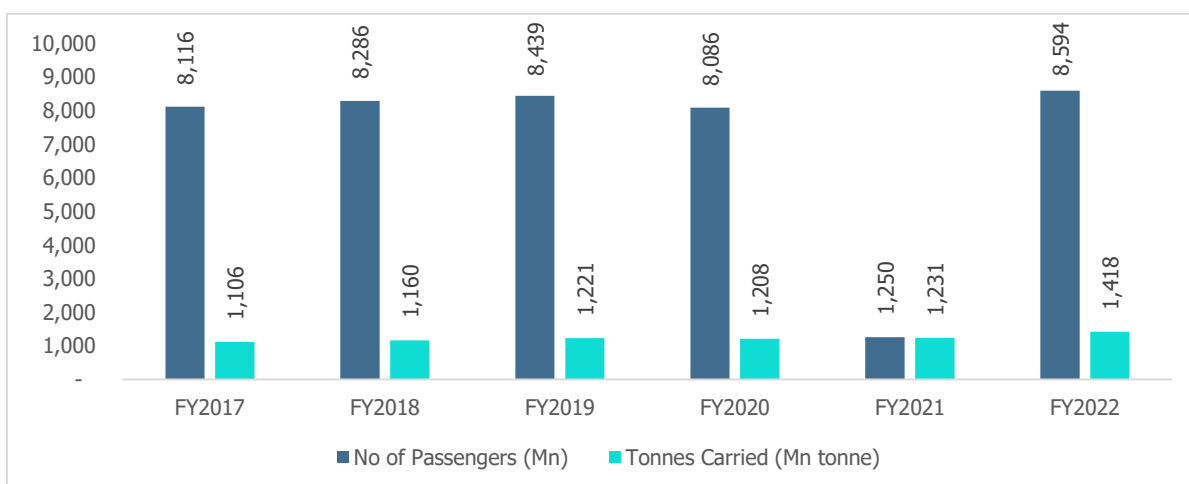
For the next four to five years, India Railways has set out massive network expansion and decongestion targets. It plans to undertake 17,000 track km of new lines, doubling and gauge conversion work by 2024. It also plans to become a net zero carbon emitter by 2030 as part of countries strategy to combat climate change. It plans to source 1,000 MW of solar power and 200 MW of wind power across zonal railway and production units.

Indian Railway Network



Source: Indian Rail Yearbook

No of Passenger and Tonnage Carried over the years



Source: Indian Rail Yearbook, PIB

Railway Infrastructure Industry

Rail infrastructure consists of key segments such as tracks, rolling stock, accessories, signalling equipment, security systems etc.

Railway Infrastructure – Key Segments

Segment	Description
Railway Track	<p>Based on the distance between two rails, the tracks are classified as below:</p> <ul style="list-style-type: none"> Standard Gauge – the distance between two rails is 4 feet 8.5 inches. Standard gauge is the most commonly deployed track globally. Narrow Gauge – the distance between the two rails is 2 feet or 2 feet 6 inches. These are generally preferred in mountainous regions. Broad Gauge – the distance between two rails is 5 feet 6 inches. Broad gauge tracks are preferred for regions where intensity of traffic is expected to be higher. Metre Gauge – the distance between two rails is 3 feet 3 3/8 inches.
Rolling Stock	<p>Rolling stock refers to railway vehicles, both powered and unpowered. Following are the key types of rolling stock:</p> <ul style="list-style-type: none"> Locomotives or engine – Locomotives provide power to a train. Depending upon the type of fuel used, they can be classified into steam, electric, diesel. Coaches, carriages or passenger cars – Passenger coaches are designated to carry passengers. They are manufactured in various configurations such as sleeper/chair car, AC/Non-AC, two/three tier etc.

Segment	Description
	<ul style="list-style-type: none"> Freight cars or wagons – wagons are designated to carry goods. There are multiple types of wagons such as open/closed, flat, hopper, container, tank, specialised wagons such as auto car wagons etc.
Rolling Stock Accessories	Rolling stock accessories refer to the spare parts of rolling stock and consist of axels, wheels, bogies, couplers, brakes and brake sets, bearings, gears etc.
Signalling & Automation	<p>Railway signalling is a system used to control the movement of railway traffic. Global railway signalling systems can be classified into automatic train protection (ATP), positive train control (PTC) and communication-based train control (CBTC).</p> <p>Railways across the world are moving towards adoption of automation practices to improve capacity, reliability, energy efficiency, flexibility, safety, and cost effectiveness. Many railways experiencing an increasing transport demand, are using automation to minimise delays across the network. Automation is also being used for faster loading and unloading to reduce turnaround time in freight operations. Automatic train operator (ATO) systems have been deployed in various railway networks which automates some of the functions such opening and closing doors on stations etc. The industry is also seeing development of autonomous trains which do not require any drivers on board.</p>
Centralised security systems	Rail security systems are targeted towards both surveillance and prevention of any mishaps. These include CCTV surveillance of stations and tracks, automatic control crossing gates, switching train tracks. Some of the advanced systems are able to detected fault in tracks and other infrastructure so that corrective measures can be taken to prevent accidents etc.

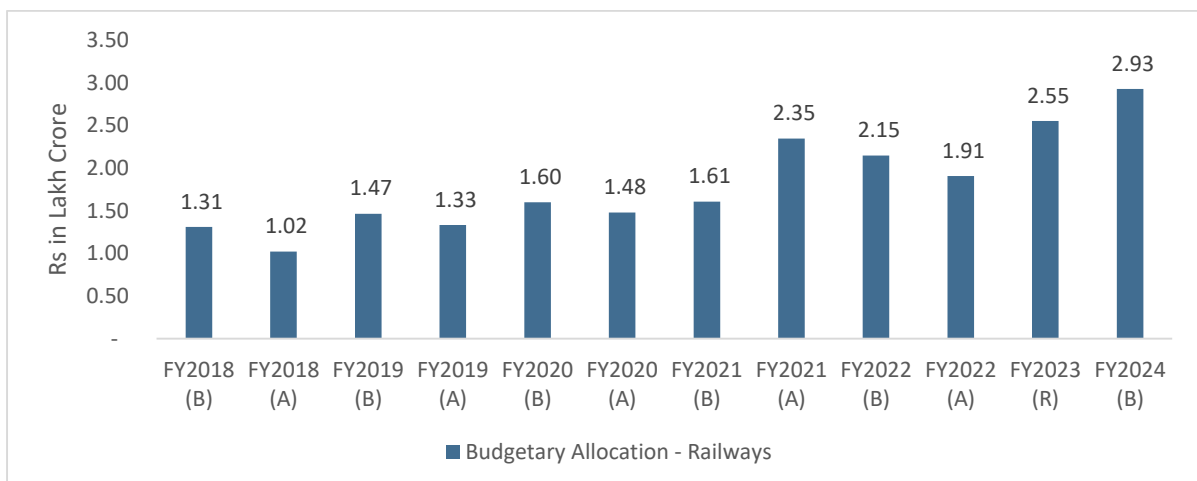
Global rail infrastructure and services industry was pegged at USD 190 billion per annum as of 2021 and is expected to grow at 2.5-3% CAGR in the near-medium term. The growth will be driven by technological advancements in mature markets (Western Europe, Asia Pacific and North America) such as penetration of high-speed railways, and increasing demand for urban and inter-urban transport in regions such as Africa.

The domestic rail industry has been dominated by the Indian Railways historically. With the growth in the urban mass transportation segment such as the metros, the private sector participation in the industry is on the rise. The sector is also seeing international interest with global rail infrastructure firms such as Alstom, Siemens, GE etc. participating in some of the domestic contracts. CareEdge Research expects that Indian Railways will continue to drive the growth of the domestic rail infrastructure industry driven by multiple government initiatives and schemes.

Indian government Support and Initiatives

As the infrastructure expenditure to GDP multiplier is estimated to be 2.5-3.5x, the government has identified infrastructure development as a key focus area to become a USD 5 trillion economy by 2026-27. To achieve this objective, the government launched the National Infrastructure Pipeline (NIP) in 2020 which identified a group of social and economic infrastructure projects to be implemented during FY2020-2025. The expected capex under NIP is USD 1.4 trillion with railways having an allocation of 12%. Railways is one of the key enablers for economic growth and an investment of USD 750 billion was suggested by the government in the Union Budget 2019-20 to improve the railway infrastructure over 2018 - 2030. The budgetary allocation to Indian Railways has been on a rise.

Budgetary Outlay towards Indian Railway



Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

In the Union Budget 2023-24, the government has allocated Rs 2.93 lakh crore towards railways which is the highest ever allocation and an increase of 15% over previous year's allocation. The allocation towards rolling stock has more than doubled Y-o-Y to Rs 37,581 crore in the union budget 2023-24 from Rs 15,158 crore (revised budget) in 2022-23.

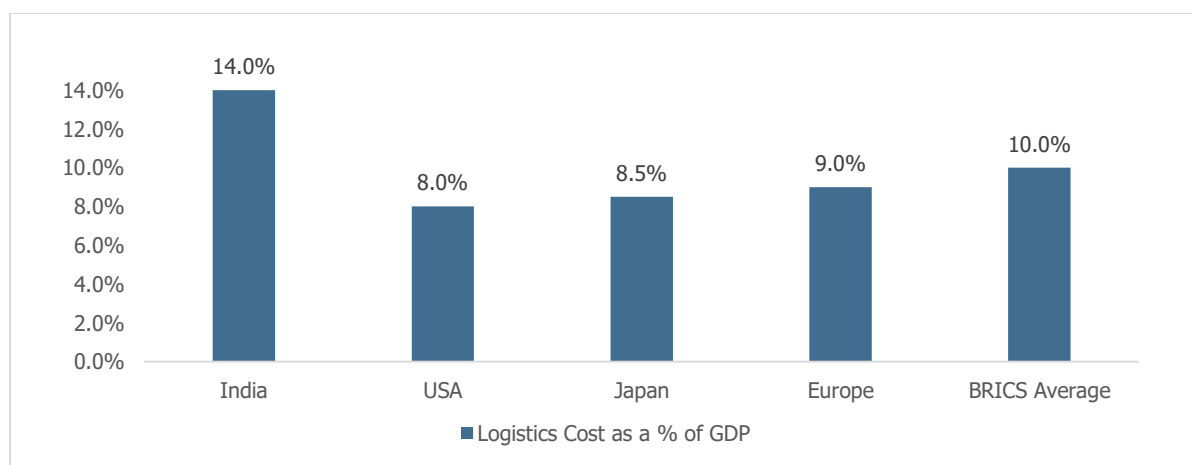
Budgetary Outlay toward Railway Projects

Railway Projects	FY2018 (A)	FY2019 (A)	FY2020 (A)	FY2021 (A)	FY2022 (A)	FY2023 (R)	FY2024 (B)
Doubling	1,290	610	678	379	3,000	24,093	30,749
New Lines (Construction)	8,952	5,648	9,871	1,058	16,246	24,914	31,850
Track Renewals	8,884	9,690	9,387	0	10,695	15,388	17,297
Gauge Conversion	2,555	2,590	3,313	117	1,803	3,220	4,600
Rolling Stock	1,514	4,572	3,963	839	6,815	15,158	37,581
Passenger Amenities	1,287	1,586	1,903	1,788	2,800	3,824	13,355
Road Safety Works	4,167	4,733	4,874	17	6,400	7,965	9,355
Signalling and Telecom	1,257	1,538	1,623	6	2,448	2,428	4,198
Leased assets - Payment of Capital Component	7,980	9,112	10,462	11,948	19,459	18,898	22,229
Investments & Others	28,867	42,328	46,580	30,523	68,065	61,768	92,117
Manufacturing Misc.	29,403	34,281	39,854	31,103	40,097	46,745	55,855

Source: Budget Documents; Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

The government is also concentrating its policies to improve efficiency and reduce cost of freight movement in the country. Currently, logistics cost in India accounts for 14% of the GDP, which is significantly higher compared to some of the developed nations where it ranges between 8-10%. The chart below shows the comparison of share of logistics cost in GDP of India vs. developed economies.

Logistics Cost as a share of GDP



Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes, Industry Sources

Logistics industry connects other industries to domestic and international markets, it affects the efficiency of the manufacturing global value chains, and competitiveness of a country's economy within these value chains. Higher cost of logistics adversely affects the global competitiveness of the industry and consequently hampers the overall economic prosperity of the nation. The Indian Government is focussing on means to reduce the logistics cost to developed economies average of 8-10%. India being a large subcontinent, efficient and low-cost transportation of

minerals, food grains, industrial goods, export consignments etc. to and from interiors is vital for its healthy, evenly spread and balanced economic growth. Indian Railways has multiple benefits including cost effectiveness, reliability, faster transit time and environmental factors such as carbon emission etc and can play a key role in reducing the logistics cost in the country.

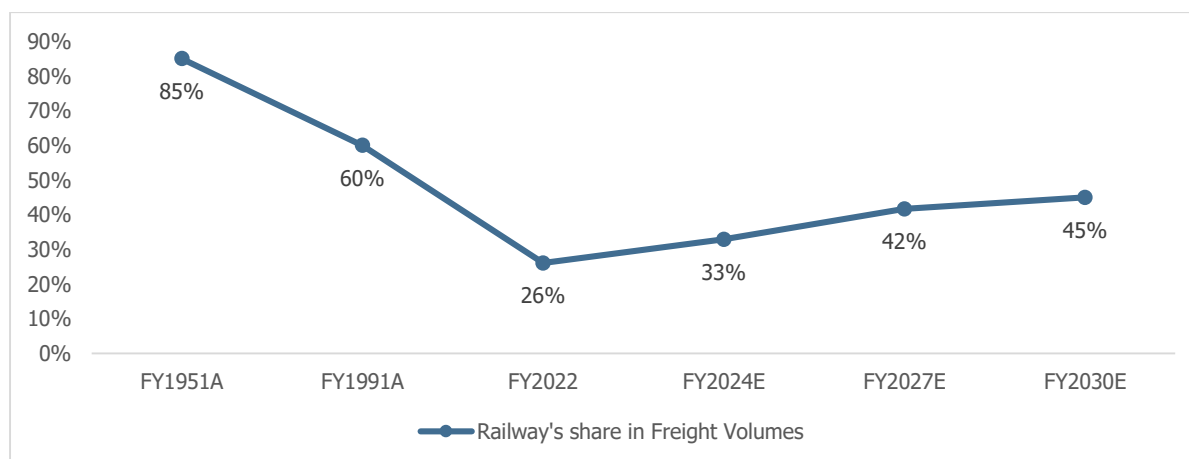
Railways will also play a key role in India’s commitment towards mitigating the threat of climate change. CO2 emissions from freight transport are projected to increase by 451% – from 220 million tonnes in 2020 to 1,214 million tonnes in 2050. Currently, road freight is the biggest contributor to these emissions, responsible for 95% of CO2 emissions from freight transport. India has updated its Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) under which India now stands committed to reduce Emissions Intensity of its GDP by 45% by 2030, from 2005 level. Further, India has pledged to cut its net CO2 emission to zero by 2070 at the UN Climate Change Conference held in Glasgow, UK in November 2021. As railways is an environment-friendly mode of transport, increasing share of Indian Railways in freight is essential for India to achieve its commitment towards net-zero target.

Various initiatives and schemes have been announced by the Government to reduce logistics cost through increase in railway’s share in freight, increase the speed and quality of passenger travel etc. which will go a long way in achieving the overall economic growth objective. These policies are expected to significantly augment the railway infrastructure and will drive the growth of the domestic railway infrastructure industry. Some of the key policies are detailed below.

National Rail Plan

Indian Railways has prepared a National Rail Plan (NRP) for India – 2030 which envisages creation of a ‘future ready’ railway system by 2030. NRP aims to increase modal share of the Indian Railways in freight to 45% by 2030 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in FY2022 to 3,600 million tonnes by FY2031, implying a CAGR of 11%. The objective of the Plan is to create capacity ahead of demand, which in turn would also cater to future growth in demand up to 2050.

Modal share of Railways in Freight Transport



Source: Ministry of Railways, National Rail Plan

Following are the key objectives of National Railway Plan:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% by 2030
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50Kmph
- As part of the National Rail Plan, Vision 2024 has been launched for accelerated implementation of certain critical projects by 2024 such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgradation of speed to 130kmph on all other Golden Quadrilateral-Golden Diagonal (GQ/GD) routes and elimination of all Level Crossings on all GQ/GD route.

- Identify new Dedicated Freight Corridors.
- Identify new High-Speed Rail Corridors.
- Assess rolling stock requirement for passenger traffic as well as wagon requirement for freight.
- Assess Locomotive requirement to meet twin objectives of 100% electrification (Green Energy) and increasing freight modal share.
- Assess the total investment in capital that would be required along with a periodical break up
- Sustained involvement of the Private Sector in areas like operations and ownership of rolling stock, development of freight and passenger terminals, development/operations of track infrastructure etc.

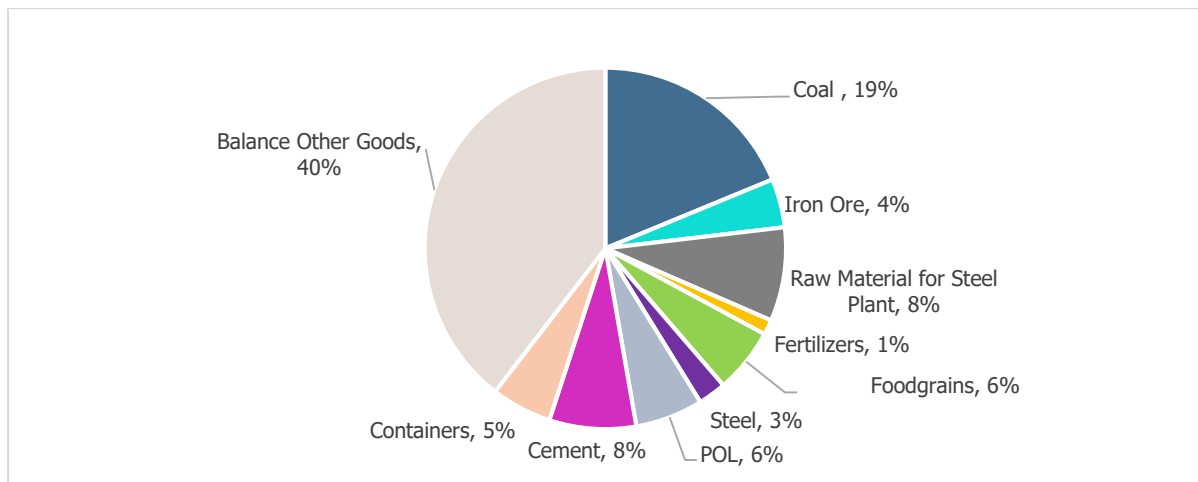
Vision 2024/2024

Under the NRP, the Indian Railways propose to achieve modal share of 45% in domestic freight transport. One of the biggest challenges before the Indian Railways is overcoming the capacity constraint. Realising that this needs to be addressed at the earliest the Government of India has substantially increased the annual capital expenditure on railway capacity expansion over the past few years. The Indian Railways has decided to divide the capacity leap into two leaps – first leap by 2024 and the second leap by 2030. In this context, the Vision 2024/2024 was launched as a sub-set of NRPs which aims at achieving railway freight traffic volume of 2024 million tonnes by the year 2024.

Mission 3000 MT

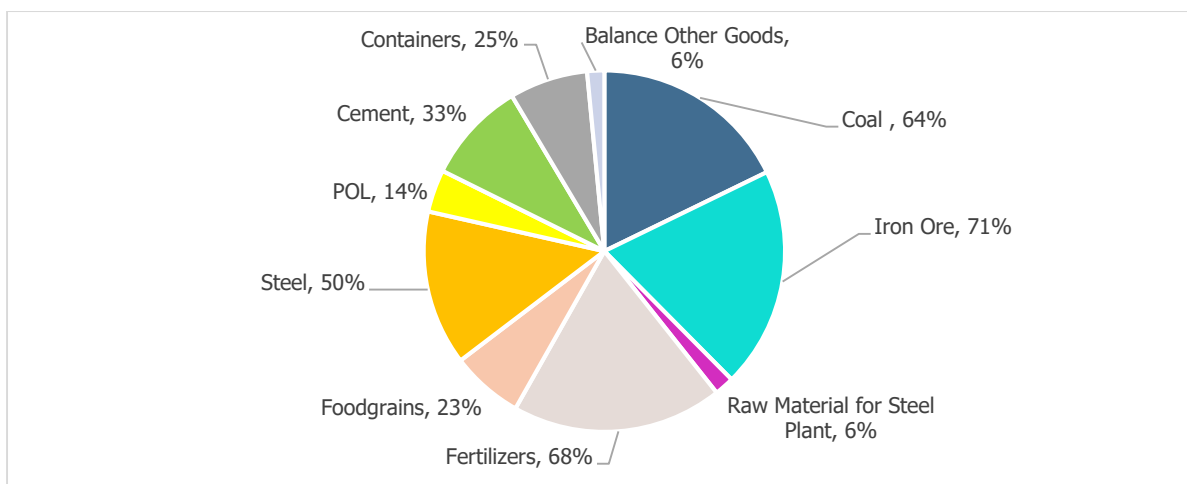
Another intermediate milestone of the NRP has been formulated under Mission 3000 MT to achieve 3,000 million tonnes of freight volumes by 2027. It is targeting towards identifying and prioritizing crucial capacity enhancement works for implementation before 2027 and suggesting an action plan for making requisite policy and strategic interventions to induce desired modal shift to railways.

Commodity Basket of India’s Logistics Market in FY2022



Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

India Railways Share Across Commodity Basket in FY2022



Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

Strategy to Increase Modal Share of Railways to 45% by 2030

Under the NRP, Indian Railways has devised strategy to address the supply and demand side constraints to grow its share in freight transport.

Strategy to Address Supply Side Constraints

To address the supply side issues, the Indian Railways is expanding its track network as well as other railway infrastructure such as well as the rolling stock to be well equipped to handle the increase in freight volumes. Total capital expenditure of Rs 8.45 lakh crore has been earmarked over FY2023-2027 under Mission 3000 MT to address the capacity constraints.

Projected Capex under Mission 3000 MT

(Rs crore)

Sr No.	Works	Total Capex	Year wise Capex				
			2022-23	2023-24	2024-25	2025-26	2026-27
1	Doubling (DL)	2,13,068	31,960	31,960	53,267	53,267	42,614
2	New Line (NL)	1,76,047	26,407	26,407	44,012	44,012	35,209
3	Gauge Conversion (GC)	20,791	3,119	3,119	5,198	5,198	4,158
4	Traffic facility and yard remodelling work	24,172	3,626	3,626	6,043	6,043	4,834
5	Last mile connectivity to Mining, Ports, Industrial Hubs etc	22,010	3,302	3,302	5,503	5,503	4,402
6	Automatic Signalling	13,045	1,957	1,957	3,261	3,261	2,609
7	Upgradation to 2 X25KV	15,183	2,277	2,277	3,796	3,796	3,037
8	25T axle load	10,213	1,532	1,532	2,553	2,553	2,043
9	Multi-tracking(Doubling , 3rd / 4th/ 5th Line)	1,64,743	24,711	24,711	41,186	41,186	32,949
10	Transmission lines	10,833	1,625	1,625	2,708	2,708	2,167
11	Wagons	70,142	10,521	10,521	17,536	17,536	14,028
12	Locomotive	1,05,210	15,782	15,782	26,303	26,303	21,042
	Total	8,45,458	1,26,819	1,26,819	2,11,364	2,11,364	1,69,092

Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

Indian Railways proposes to increase procurement of locomotives and rolling stock to gear up for handling higher freight volumes. It also proposes to augment the maintenance infrastructure, increase reliability of the existing wagons by changing certain parts, create material handling infrastructure, improve wagon turnaround time, reduce pre-departure detention of crew (PDD), increase deployment of end-of-train telemetry (EoTT) and strengthen IT infrastructure for maintenance.

Strategy to Address Demand Side Constraints

To increase the demand for transportation through railways across commodities, Indian Railways is working on marketing strategy covering the following:

Pricing Strategy – Reduced cost of up to 30% to customers. Thrust to reduce the overall cost of rail transportation to the customer and improve resources to be achieved through improved speed, customer service, tariff reductions/rebate as well as by rationalizing some of the other charges such as demurrage/wharfage, access charge etc.

Aggregation of piece-meal traffic and door-to-door delivery to compete with road transport

Improving Containerization and Aggregation – Railways share in containerised cargo is currently 25% while share of roads is over 70% mainly due to uncertainty of transit time, limited infrastructure access and unfavourable pricing. Railways is proposing the following key measures to make Indian Railways preferred mode for container transport.

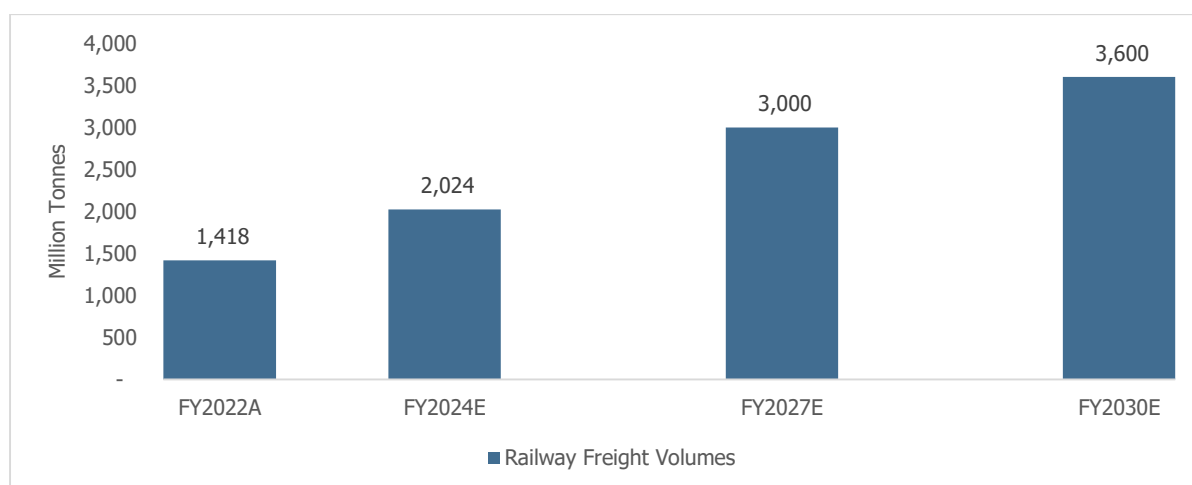
- Offer transit guarantee
- Permit universalisation of bases so that rakes can be maintained at the nearest available maintenance depot.
- Permit private operators to operate in Bangladesh in addition to Nepal
- Improve operator’s access to Container Rail Terminals (CRT) by reducing the cost of access, allowing storage of containers, removing restrictions on hub and spoke operations, encouraging lift-on and lift-off operations
- Address the pricing related concerns

Policy Initiatives for Automobile sector – Railways currently has a small share in automobile transport. In order to boost auto volumes, Railways had introduced Automobile Freight Train Operator (AFTO) Scheme in 2010 which permitted private parties like automobile manufactures to procure specially designed wagons as per their requirement. The Indian railways is proposing to introduce taller wagons, expand Ro-Ro and Road-Railer services and introduce new container designs which are more suitable for two-wheeler transportation.

Expansion of Ro-Ro Services – Indian Railways is proposing to expand its Roll-on, Roll-off (Ro-Ro) services offering. A Ro-Ro service provides end-to-end service to the customer and uses optimal combination of road and rail transport where road transport is used for short distances and rail for long distances. As the lorries/trucks with goods are directly loaded on rail wagons (long metal platform), it provides significant time savings towards loading/unloading. Ro-Ro services are being offered through Dedicated Freight Corridor Corporation of India Limited, which is in process of identifying additional route over which the services can be offered.

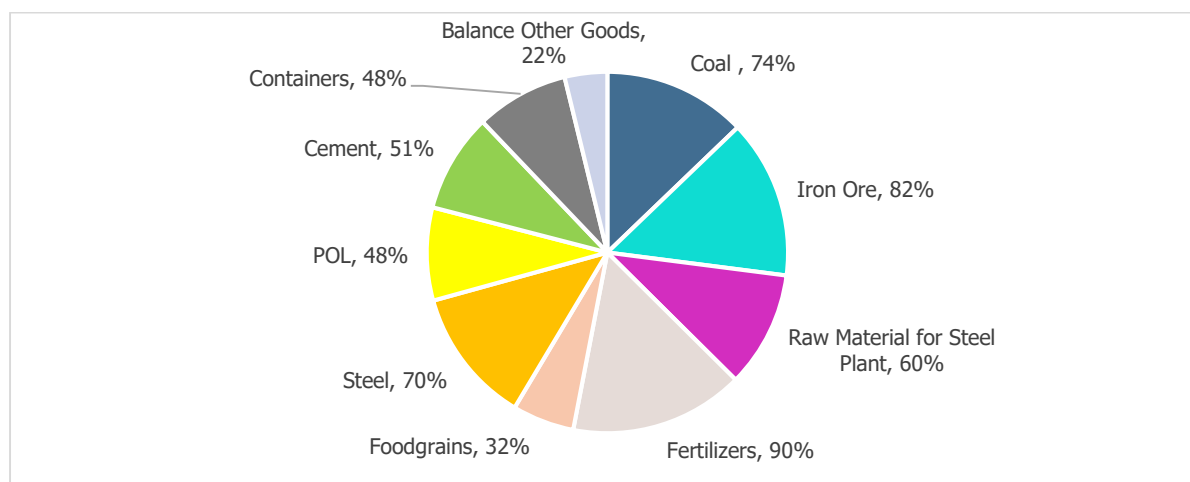
Driven by the above measures, India Railways share across commodity basket is expected to improve significantly which will lead to robust growth in freight volumes.

Expected Increase in Railway Freight Volumes



Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

India Railways Share Across Commodity Basket in 2030E



Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

Dedicated Freight Corridor (DFC)

Dedicated Freight Corridor is broad-gauge high-capacity railway corridor under construction by the Indian Railways that is exclusively meant for the transportation of goods and commodities. It was conceptualized in around 2005 with an aim to increase share of railways in total domestic freight transportation and Dedicated Freight Corridor Corporation of India (DFCCIL) was set up to undertake planning & development, mobilization of financial resources, construction, operation & maintenance, and business development of the dedicated freight corridors. The main objectives of DFCCIL are as below:

- Decongest the existing Indian Railway network.
- Increase the average speed of goods trains from existing 25 to 70 kmph.
- Run Heavy Haul trains (higher axle load of 25/32.5 Tonne) & overall load of 13,000 Tonne.
- Facilitate the running of longer (1.5km) and double stack container trains.
- Connect the existing ports and industrial areas for faster movement of goods.
- Energy efficient and environment friendly rail transport system as per global standards.
- Increase the rail share from existing 30% to 45%.
- Reduce the logistic cost of transportation

Railway Infrastructure – Key Segments

Design Feature	Indian Railway	DFC
Height	4.265m	5.1m/7.1 m
Width	3,200 mm	3,600 mm
Train Length	700 m	700m/1500m
Train Load	5,400 tonnes	12,000 tonnes
Axel Load	22.9 tonnes	25 tonnes track structure; Bridges and formation designed for 32.5 tonnes
Average Speed	25 kmph	>65 kmph
Traction	Electrical (25 Kv)	Electrical (2*25kv)
Signalling	Absolute/automatic with 1 Km spacing	Automatic with 2 Km spacing in automatic territory

Source: Dedicated Freight Corridor Corporation of India

DFCs are proposed to used state-of-the art technology including the below:

Heavy and long-Haul train operation of 25 Axle ton with having provision of 32.5 Ton axle load for the First time in India.

- Double stack containers in Western DFC
- Double line electric (2 X 25 KV) track to undertake higher haulage at higher speeds
- Automated New Track Construction (NTC) machine which can lay track at the speed of 1.5 km per day.
- Automated Wiring train for Overhead Equipment Work (OHE) capable of wiring up to 3 km per shift.
- Train Protection and Warning System (TPWS) for safe and efficient operation
- Elimination of road level crossing
- Developing Multi Modal Logistic Hubs and integration with Delhi-Mumbai Industrial Corridor & Amritsar-Kolkata Industrial corridor.

There are currently 2 DFCs in India - the Western and Eastern freight corridors spanning 3,360 Km. The Western DFC connects Dadri in Uttar Pradesh to Jawaharlal Nehru Port (JNPT) in Mumbai, and Eastern DFC connects Ludhiana in Punjab to Dankuni in West Bengal. Approximately 1,200 km of lines have already been commissioned under the DFC and the Western and Eastern DFC is expected to be fully commissioned by June 2024. Further three corridors – the East Coast Corridor, East-West Corridor, and North-South Corridor are under planning.

Future DFCs

DFC	Length	States Covered
East Coast Corridor	1,080 Km	West Bengal, Orissa, and Andhra Pradesh
East West Corridor	1,738 Km	West Bengal, Jharkhand, Odisha, Chhattisgarh, Gujarat and Maharashtra
North-South Corridor	890 Rkm	Madhya Pradesh, Maharashtra, Telangana, and Andhra Pradesh

Source: Dedicated Freight Corridor Corporation of India

PM Gati Shakti – National Master Plan for Multi Modal Connectivity

PM Gati Shakti - National Master Plan for Multi-modal Connectivity is a digital platform to bring ministries including railways and roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people. The estimated outlay under the program is ₹ 100 lakh crore and it aims to reduce logistics cost and enhance export competitiveness of the country.

Indian Railways have set up a separate directorate within the Railway Board to prioritise projects under the PM Gati Shakti scheme. Further, in order to boost investments from industry in development of additional terminals for handling rail cargos, a new ‘Gati Shakti Multi-modal Cargo Terminal (GCT)’ policy has been framed. All new as well as under-construction/under-approval cargo terminals shall be covered under this policy. The policy seeks to promote proliferation of new cargo terminals and improve existing Cargo Terminals through investments from industry to accelerate the growth in Railways’ cargo traffic. Union Budget 2022-23 has announced the target to set up 100 GCTs within the next three financial years and 15 GCTs have been commissioned till date.

High Speed Rail Corridor

To reduce the transit time, 12 high speed rail corridors with train speeds exceeding 250 km/hour have been proposed by the government, spanning approximately 7,200 Km. The 508 Km Mumbai-Ahmedabad corridor has been taken up for construction at an expected capital expenditure of Rs 1.1 lakh Cr and is expected to be fully operational by 2027. The maximum operation speed of train will be 320 km/hr and distance between Mumbai-Ahmedabad (508 km) will be covered in 2 hours and 7 minutes.

Other Policies & Initiatives

Liberalized Wagon Investment Scheme (LWIS): LWIS was introduced to allow private players to own their own wagons as per their own cargo requirements. This initiative was taken to mitigate the shortage of rail wagon with the Indian Railways and to permit private players to maintain specialized wagons for specific products. Based on industry feedback, LWIS amendment was brought in FY19 which permitted the investors to load third party cargo in their rakes in empty directions.

FDI in domestic railway sector

Till August 2014, FDI in railway sector was restricted to only mass rapid transport system. Subsequently 100% FDI through automatic route has been permitted for construction, operation and maintenance of the following areas of railway infrastructure:

- Suburban corridor project through PPP
- High speed train projects
- Dedicated Freight Lines
- Rolling stock including train sets
- Locomotives or coaches manufacturing and maintenance facilities
- Railway Electrification
- Signalling Systems
- Freight Terminals
- Passenger Terminals
- Infrastructure in industry park pertaining to railway lines or sidings including electrified railway lines and connectivity to main railway lines
- Mass Rapid Transport Systems.

FDI inflow of USD 1.2 bn has been received in railway related components during April 2000 to September 2022.

Railway Rolling Stock – Freight Wagons & Passenger Coaches

Overview

Rolling stock includes locomotives, freight wagons and passenger coaches. Freight wagons are used to transport goods from one place to another whereas passenger coaches are used by people to travel from one place to another.

The Indian Railways has been the largest domestic procurer of rolling stock to meet its expansion and upgradation requirements. Trend in rolling stock owned by the Indian Railways is given in the following table.

Indian Railway Rolling Stock

Particulars	FY2017	FY2018	FY2019	FY2020	FY2021
Locomotives	11,461	11,764	12,147	12,729	12,734
Passenger Coaches					
- EMU	9,125	9,556	10,439	11,439	10,991
- Conventional	53,668	54,081	55,282	57,121	58,760
- DMU	1,492	1,690	1,883	1,795	1,965
- Others	6,699	6,537	6,406	6,611	8,102
Total Passenger Coaches	70,984	71,864	74,010	76,966	79,818
Wagons	2,77,992	2,79,311	2,93,011	2,89,175	3,02,624

Source: Indian Rail Yearbook

The private sector procurement of rolling stock is on the rise driven by government schemes like LWIS, wagon leasing scheme (WLS) and select private ownership in metro rail.

Domestic Rolling Stock Market

Domestic Manufacturers

Passenger Coaches

The Indian Railways has been manufacturing passenger coaches at railway-owned factories - Integrated Coach Factory (Perambur, Chennai), Railway Coach Factory (Kapurthala) and Modern Coach Factory (Rae Bareli). Currently there is no significant Indian manufacturer of passenger coaches. Indian Railways has enhanced its capabilities in coach manufacturing through transfer of technology such as the contract entered with Germany based Alstom-LHB for Linke-Hoffman-Busch (LHB) for manufacturing light weight, high speed coaches fit for 160 kmph on Indian Railway system. These coaches are deployed for the Rajdhani Express trains.

Wagons

The domestic wagon manufacturing capacity is estimated around 35,000-40,000 units per annum. Unlike the passenger coach segment, wagon manufacturing is dominated by private sector players such as Texmaco Rail & Engineering Ltd, Jupiter Wagons Ltd and Titagarh Ltd. Public sector players like SAIL-RITES, Bengal Wagon Industry and Braithwaite and Co. are also present in the industry.

Player-wise Rail Wagon Manufacturing Capacity

Rail Wagon Manufacturers	Capacity (in Units)
Texmaco Rail & Engineering	9,000
Titagarh Wagons	8,400
Jupiter Wagons	6,500
Hindustan Engineering	4,300
Others - Oriental Rail Infrastructure, Jindal Rail Infrastructure Limited, Om Besco Railway Wagons Manufacturer (erstwhile Besco Limited) and public sector players	2,000-7,000
Total Capacity	30,000-35,000

Source: Industry Sources

Historically, the capacity utilisation of domestic wagon manufacturers has been sub-50% due to low ordering by Indian Railways. However, the utilisation is expected to reach optimum levels over the next 2-3 years on the back of surge in wagon ordering by Railways and private sector.

Domestic capacity is expected to keep pace with the growing orders - currently, only Titagarh wagons has announced its plans to expand wagon manufacturing capacity to 12,000 units over the next 3 to 5 years.

Metro Rail Coaches

India currently has 750 Km of operational metro lines with over 2,500 metro coaches being deployed. Historically, majority of the metro coaches were being imported. However, to push the Make in India initiative, in August 2017, the government mandated that 75% of the metro cars and 25% of critical equipment required for metro construction be procured domestically. Currently there are four operational metro coach manufacturing facilities in India which have been set up either by PSUs or international companies and the ICF is in the process of setting up the facility.

Metro Coach Manufacturing Facilities in India

Sr No.	Company	Location	Coaches supplied/contract under execution
1	Bharat Earth Movers Limited	Bangalore, Karnataka	Delhi, Bangalore &, Mumbai Metro Rail
2	Alstom Transport	Sricity, Andhra Pradesh	Chennai, Kochi, Lucknow, Agra, Kanpur and Mumbai Metro
3	Bombardier Transportation (acquired by Alstom)	Savli, Gujarat	Bangalore, Ahmedabad, Mumbai & Delhi Metro
4	CRRC India, subsidiary of Chinese rolling stock manufacturer CRRC Nanjing Puzhen Co.	Sricity, Andhra Pradesh	Noida, Mumbai, Kolkata, Nagpur and Navi Mumbai Metro
5	Indian Railways	Integral Coach Factory (ICF)	Nagpur
6	Titagarh Wagons	Uttarpara, West Bengal	Pune

Source: Industry Sources

Private wagon manufacturers such as Jupiter Wagons and Titagarh Wagons have entered the metro coach manufacturing segment through joint ventures and overseas acquisition, respectively.

Past Trend in Rolling Stock Orders (wagons)

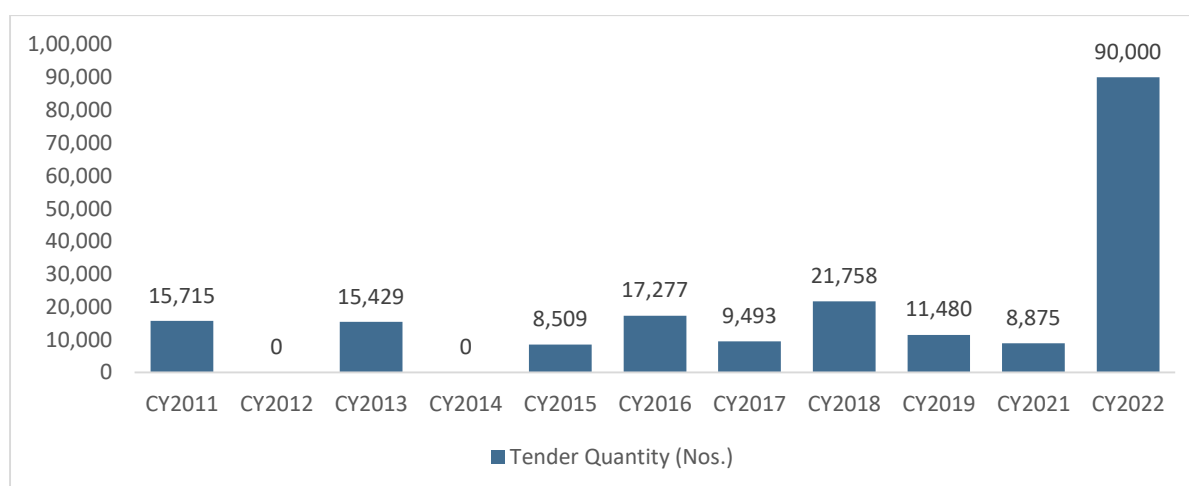
Indian Railways: Historically, the tendering by the Indian Railways has been in the range of 8,500 to 22,000 wagons per year with delivery over two-three years, to cater to fresh as well as replacement demand for wagons which are over 30-35 years old. Indian Railways has inducted 8,000-15,000 new wagons per year over FY2017-FY2022.

Trend in New Wagons Inducted by Indian Railways

Particulars	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
New Wagons Inducted	12,323	8,015	12,649	15,443	12,521	8,386
Manufactured by Railways	1,030	1,129	1,001	1,243	1,316	NA
Manufactured by Private Players	11,293	6,886	11,648	14,200	11,205	NA

Source: Indian Rail Yearbook, Report of the Committee on Mission 3000 million tonnes

Trend on Wagon Tendering by Indian Railways



Source: Industry Sources

In April 2022, tender for procurement of 90,000 wagons over the next three years was released of which contract for 72,000 wagons has been awarded to eight domestic players.

Private Sector

With the introduction of schemes such as LWIS, WLS, ATFO etc. which enabled private sector entities to own wagons to address the issue of timely availability of wagons, the private sector ownership of wagons has increased over the last few years. Companies from logistics, steel, mining sectors including Steel Authority of India Ltd, NTPC Ltd, Adani Logistics Ltd, TM International Logistics Ltd (JV of Tata Steel Ltd), Rungta Mines Ltd etc. have acquired private wagons between 2017-2022.

A few leasing companies have also entered in the domestic market. GATX India Private Ltd (subsidiary of Gatx Corp, USA) is the largest private owner of wagons in India with a fleet of 4,200 wagons. Touax Texmaco Railcar Leasing Ltd (a joint venture of Texmaco Rail & Engineering Ltd) and Adani Ports and Special Economic Zones Ltd. are also a registered wagon leasing company with Indian Railways.

Further, logistics players and auto mobile manufacturers have also acquired private wagons under AFTO scheme.

Private Players	2017	2018	2019	2020	2021	2022	Total
Adani Logistics Ltd			406	143	511	735	1,795

BALCO	120			53	53		226
Birla Corporation Ltd					58		58
Hindalco	151						151
Hindalco Ltd						61	61
HPCL					34		34
Jindal Steel and Power Ltd			90			177	267
JSPL					45		45
Kalinga Metalics Ltd					243	305	548
NTPC			123	5			128
Orissa Metaliks Pvt Ltd			61	61	61		183
Rungta Mines Pvt Ltd			296		60		356
Rungta Sons Pvt Ltd					366	61	427
S M Nirayat Pvt Ltd					302		302
Shyam Metalics Pvt Ltd						122	122
Shyam Sel & Power Ltd						61	61
Steel Authority of India Ltd					60	181	241
TM International Logistics Ltd	120	58	826	445	182	121	1,752
Vedanta	159		53			53	265
Other:							
GATX							4,200
IVC Logistics, Joshi Konoike Transport and Infrastructure pvt. Ltd, Maruti Suzuki, TCI Express, APL Logistics and Vascor Automotive Pvt Ltd							NA
Total	550	58	1,855	707	1,975	1,877	11,222

Source: Indian Railways

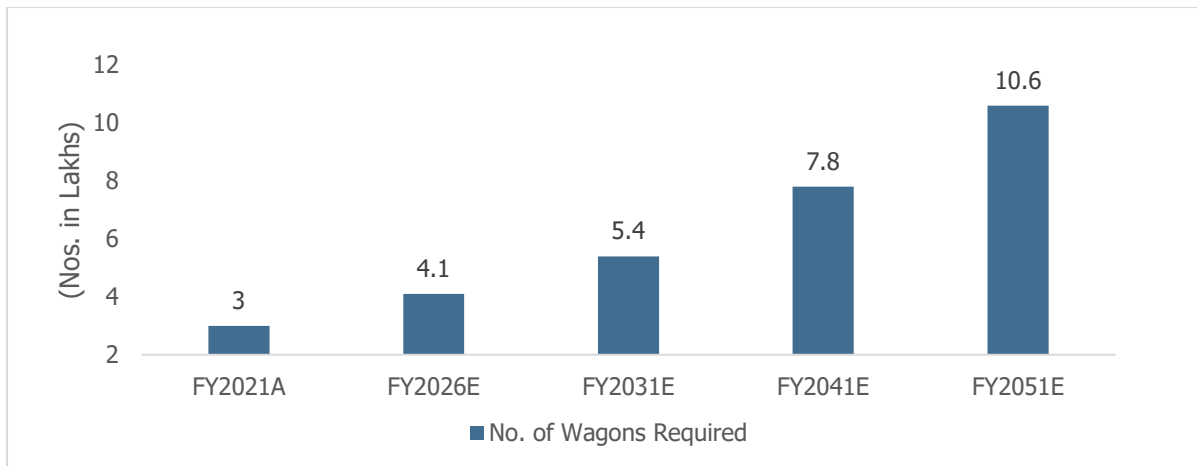
Growth Drivers

Government thrust on rail infrastructure improvement

The Government of India has identified railways as a key focus area to boost GDP and make India more export competitive by reduction in freight costs. The budgetary outlay towards Indian Railways has been on a rise over the past few years and the government has introduced various schemes such as DFC, NRP, GPWIS, PM Gati Shakti & GCT, LWIS, AFTO, multi-modal logistics parks etc. to boost railway infrastructure and share of railways in freight traffic. The passenger segment has also seen multiple developments through initiatives like High Speed Rail Corridors, Vande Bharat Express etc.

Wagons: The ordering and procurement of wagons by the Indian Railways is expected to increase significantly as evident from the recent tenders which have been awarded. The wagon fleet is expected to increase to 5.4 lakh wagons by FY2031 from 3 lakh wagons in FY2021 including the replacement demand.

Forecast of Indian Railway Wagon Requirement



Source: Indian Railways, NRP

Rising participation of private sector

Private sector ownership of wagons is on a rise driven by some of the recent schemes announced by the Indian Government. Industries such as cement, coal, steel, automobiles, logistics etc. which have a large freight movement through rail have been procuring wagons from domestic manufacturers. There is significant scope for increase in demand from the cement, coal and steel industries on the back of growing domestic demand. Further, currently, the auto industry is using the railways mainly for transportation of passenger vehicles. There is also potential to transport CV parts and two-wheelers through the railway network which will add to wagon procurement by automobile manufacturers and logistics companies. Further, defence services are also proposing to procure wagons for transportation of utilities etc.

Expansion of Metro Rail

As of August 2022, 775 Km of metro lines have been operationalised across 19 cities. The metro network, including regional rapid transit systems (RRTS) is proposed, to be expanded to 1,700 Km across 27 cities by 2025 and subsequently to 50 cities. The government is also proposing Metro Lite and MetroNeo lines which are suitable for smaller cities with lower peak traffic. Currently, approximately 2,500 coaches have been deployed in the operational metro lines roughly costing 32,500 Cr. As the operational metro lines are expected to increase by more than 2x over the next 4-5 years, domestic demand for metro rail rolling stock is expected to witness significant increase.

Domestic Rolling Stock Industry Outlook

Domestic Wagon Industry

Currently the total domestic demand for wagons is in the range of 13,000-16,000 wagons per annum with Indian Railways procuring 10,000-12,000 wagons and private sector ordering 3,000-4,000 wagons annually. The market is currently valued at Rs 6,000-7,000 crore per year. Ordering from Indian Railways is expected to be robust as the government is targeting to increase modal share in freight transport to 45%. Private sector ownership is expected to increase as the DFCs and the new logistic parks get operational. Indian Railways is expected to procure 30,000 wagons while private players are expected to add 5,000-6,000 wagons annually for the next 3-4 years. Therefore, the domestic wagon industry size is expected to more than double to Rs 16,000 crore per year over the next 3-4 years.

Metro Rail Coach Industry

The government targets to increase the total operational metro rail network to 1,700 km over the next 3-4 years from the existing 750-800 Km based on the under construction and announced metro rail projects. This expansion will entail procurement of 2,000-2,500 metro rail coaches over the next 5-6 years, implying a market size of Rs 30,000-35,000 crore over this period.

Railway Rolling Stock Accessories

Overview

Rolling stock accessories consist of rolling stock spare parts including wheel & axels, coupler, bearing, brakes, gears etc. The accessories industry is highly fragmented with multiple manufacturers from the MSME segment. Rolling stock accessories are generally procured along with the rolling stock under the same contract and typically account for 20-25% of the value of the contract.

Indian Railways has formulated a list of approved vendors for procurement of rolling stock accessories where-in Railways has identified over 3,000 vendors for various accessories. The successful bidders for rolling stock accessories generally award back-to-back contracts to the approved vendors of accessories. Some of the rolling stock manufacturers have entered rolling stock accessories space as well.

Key Rolling Stock Accessories Manufacturers in India

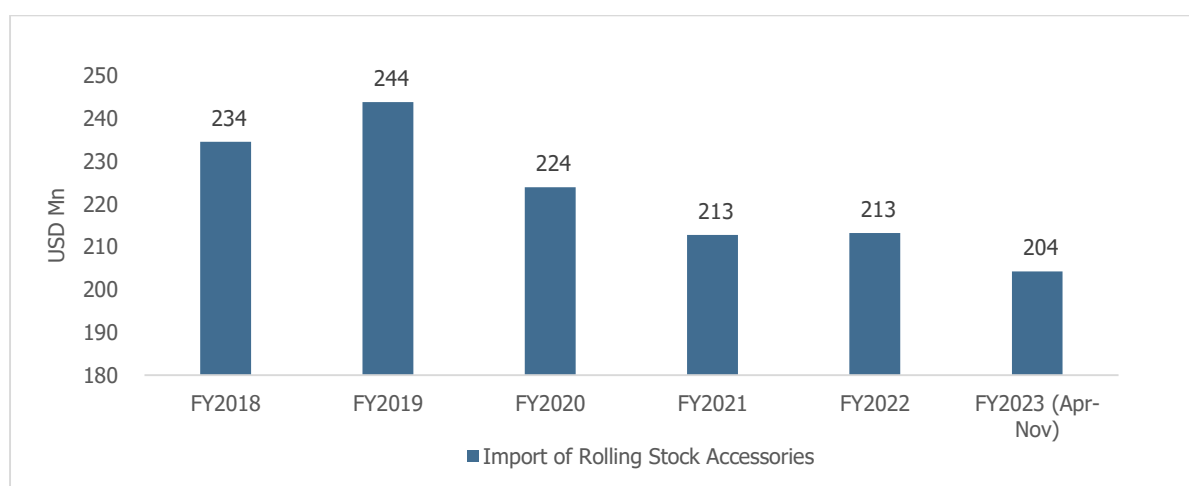
Type of Accessory	Key Domestic Manufacturers
Wheel and Axle	Indian Railway, Railway Wheel Factory, Bangalore
Brake Systems and Brake Discs	Jupiter Wagons, Faiveley Transport Rail Technologies India, Greysham International, Knorr-Bremse India, Stone India Limited
Couplers	Jupiter Wagons, Titagarh Wagons, Frontier Alloys, Bhilai Engineering Corporation (BEC), Texmaco Rail & Engineering
Cast Bogies	Jupiter Wagons, Titagarh Wagons, Texmaco Rail & Engineering
Draft Gears	Jupiter Wagons, Titagarh Wagons, Frontier Alloys, Raneka Industries, BEC
Bearings	NBC Bearings, Tata Bearings, SKF Bearings, NRB Bearings, Timken India

Source: Indian Railways, Industry Sources

Import Dependence for Major Accessories

Indian manufacturers are dependent on imports for various accessories such as wheel and axle and brake systems. Domestic imports of rolling stock accessories have been in the range of USD 200-250 Mn per year. Wheel and axle systems are imported from China while brake systems are imported mainly from Germany, France and Hungary.

Trend in Imports of Rolling Stock Accessories



Source: Ministry of Commerce and Industry

Growth Drivers & Outlook

The growth of the rolling stock accessories industry is linked to the growth of rolling stock fleet in India. As mentioned in previous sections, the growth of rolling stock industry will be driven by the following factors:

- Government thrust of rail infrastructure improvement

- Rising participation of private sector
- Expansion of metro rail network

Driven by the above factors, the wagon fleet of Indian Railways as well as private players is expected to nearly double in the next 10 years. Further, the domestic coach inventory is expected to see significant growth driven by increase in passenger traffic on Indian Railways and the rapid penetration of metro rail. These factors will drive the demand for rolling stock accessories in India. Driven by higher utilisation of existing rail assets as planned by the government, the replacement demand for accessories is also expected to be healthy, thus adding to the overall demand for rolling stock accessories. The market potential for brake systems and brake discs, which are one of the key accessories used in rolling stock, is estimated around ₹ 2,700-3,000 crore per year. However, as the domestic industry is currently fragmented with limited support from the Government in terms of PLI or other support schemes, the dependence on imports for key rolling stock accessories is expected to continue in the near-medium term.

Railway Support Infrastructure

Railway support infrastructure enables the effective functioning, tracking and maintenance of the railway network and consists of signalling and protection systems, condition monitoring systems, GPS tracking systems, maintenance systems etc.

CMS Crossing:

A cast manganese steel (CMS) crossing is a device introduced at the junction where two rails cross each other to permit the wheel flange of a railway vehicle to pass from one track to another. CMS crossings are deployed in sections where double lining is done. There are multiple manufacturers of CMS crossings in India including Jupiter Wagons, Titagarh Wagons etc. Besco Limited, Bhilai Engineering Corporation Ltd, Brand Alloys Private Ltd, Calcutta Springs Ltd., Hindusthan Engineering & Industries Ltd., Orient Steel & Industries Ltd, Rausheena Udyog Limited, Texmaco Rail & Engineering Ltd., Voestalpine VAE VKN India Pvt. Ltd. and Vossloh Beekay Castings Ltd.

For the faster movement of train and better safety, welded CMS crossings are deployed which are at the significant premium. Only few players manufacture including Voestalpine VAE VKN India Pvt. Ltd., Vossloh Beekay Castings Ltd, Jupiter Wagons etc.

Railway Signalling and Protection Systems:

Conventional Indian Railways signalling was based on colour light signals and train detection with the help of track circuits and axle counters. Although this technology is suitable for detection and control of trains it was still not able to utilize the section capacity to its full advantage. Over the last decade, railways have seen a huge transition from conventional railway signalling systems to modern signalling systems including Electronic Signalling Interlocking Systems, Automatic Block Signalling and interlocking with signals at level crossing gates to enhance the safety at crossing. Railways has also indigenously developed an automatic train protection system under 'Kavach' which is designed to bring a train to a halt automatically when it notices another train on the same line within a prescribed distance. Kavach is now being deployed across the railway lines.

Condition Monitoring Systems:

Condition monitoring systems are used to monitor the health and safety of key components including coaches, freight cars, locomotives, tracks, signalling assets etc. that would finally result in improved safety, improved reliability, higher utilization, increased up-time and reduced operation cost of the railway assets by enabling predictive maintenance and reduction in sudden catastrophic failures of these assets.

Some of the advanced conditioning monitoring systems also have the provision to capture and log operational data on the various elements of a train for subsequent analysis in a remote, cloud-based control centre using advanced monitoring and analysis tools.

GPS Tracking Systems:

GPS has been used in railway systems to track the movement of locomotives, rail cars, maintenance vehicles and wayside equipment in real time. When combined with other sensors, computers and communications systems,

GPS improves rail safety, security and operational effectiveness. The technology helps reduce accidents, delays, and operating costs, while increasing track capacity, customer satisfaction, and cost effectiveness.

Rolling Stock Maintenance:

Maintenance is a large function of the railway system since their operations are dependent on the efficient performance of the rolling stock and other infrastructure to ensure minimum delays and down time. Indian Railways currently carries out the maintenance of rolling stock in-house.

Growth Drivers & Outlook

The domestic railway support infrastructure growth is expected to be driven by the growth in budgetary allocation towards Indian Railways and increase penetration of metro rail in India. Further, new technology- based systems such as GPS, AI and data analytics-based systems are expected to witness faster growth on the back of increasing adoption by the domestic rail industry. The growth in CMS crossing will track the budgetary allocation towards double lining – under the NRP, total capex of 2.13 lakh crore is earmarked towards double lining.

SWOT Analysis & Peer Comparison – Domestic Wagon Manufacturing Industry

SWOT Analysis

Following is the SWOT analysis for domestic wagon manufacturing industry

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> Increasing budgetary allocation towards Indian Railways Rising private sector ownership of wagons driven by government schemes like GPWIS, WLS, AFTO Strong domestic manufacturers and availability of technology domestically Better economic growth rate 	<ul style="list-style-type: none"> Inconsistent tendering by Indian Railways Dependence on imports for accessories such as wheel and axle and brake systems
OPPORTUNITY	THREAT
<ul style="list-style-type: none"> Government target to increase share in freight transport to 45% by 2050 through initiatives such as National Rail Plan, PM Gati Shakti, Dedicated Freight Corridors etc. Significant growth in the logistics industry driven by sectors such as e-commerce, automobiles etc. Growth in mining output, cement and steel production 	<ul style="list-style-type: none"> Escalation in raw material prices Delay in implementation of government schemes Quality related challenges Slowdown in economic growth due to revival of Covid-19 pandemic

Peer Comparison

Company	Details																			
Jupiter Wagons	<ul style="list-style-type: none"> Year of Incorporation: 1979 Plant Location: West Bengal, Madhya Pradesh Installed Capacity: 																			
	Wagon	6,500 units																		
	High Tensile Couplers	14,000 units																		
	Draft Gears	14,000 units																		
	Bogies	14,000 units																		
	Cast Manganese Steel Crossing	3000 units																		
	Fabrication	45,000 MT																		
	<ul style="list-style-type: none"> Key Products Manufactured: Railway wagons, high-speed bogies, couplers, draft gears and railway castings 																			
	<ul style="list-style-type: none"> Financial Performance: (Rs in Cr) 																			
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>FY2020</th> <th>FY2021</th> <th>FY2022</th> <th>H1FY2023</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>126</td> <td>995</td> <td>1,178</td> <td>712</td> </tr> <tr> <td>EBITDA</td> <td>2</td> <td>106</td> <td>114</td> <td>80</td> </tr> <tr> <td>Net Profit</td> <td>(0.14)</td> <td>53</td> <td>50</td> <td>57</td> </tr> </tbody> </table>	Particulars	FY2020	FY2021	FY2022	H1FY2023	Revenue	126	995	1,178	712	EBITDA	2	106	114	80	Net Profit	(0.14)	53	50
Particulars	FY2020	FY2021	FY2022	H1FY2023																
Revenue	126	995	1,178	712																
EBITDA	2	106	114	80																
Net Profit	(0.14)	53	50	57																

	Order Book	NA	NA	4,686	5,876																																																			
	<ul style="list-style-type: none"> ▪ Market share in Railway ordering: 11% (total tenders from CY2011 to CY2022) ▪ Strategic Partners: <table border="1"> <thead> <tr> <th>Particulars</th> <th>Country</th> <th>Business Activity</th> </tr> </thead> <tbody> <tr> <td>DAKO-CZ</td> <td>Czech Republic</td> <td>DAKO-CZ is a leading manufacturer of pneumatic, electromechanical and hydraulic brake systems for rolling stock.</td> </tr> <tr> <td>Kovis D.O.O</td> <td>Serbia/Slovenia</td> <td>JV products include brake discs, axles and gear boxes for railway rolling stock.</td> </tr> <tr> <td>Talleres Alegra</td> <td>Spain</td> <td>JV will produce Weldable Cast Manganese Steel (WCMS) Crossings for both BG (Broad Gauge) and Metro.</td> </tr> </tbody> </table> 					Particulars	Country	Business Activity	DAKO-CZ	Czech Republic	DAKO-CZ is a leading manufacturer of pneumatic, electromechanical and hydraulic brake systems for rolling stock.	Kovis D.O.O	Serbia/Slovenia	JV products include brake discs, axles and gear boxes for railway rolling stock.	Talleres Alegra	Spain	JV will produce Weldable Cast Manganese Steel (WCMS) Crossings for both BG (Broad Gauge) and Metro.																																							
Particulars	Country	Business Activity																																																						
DAKO-CZ	Czech Republic	DAKO-CZ is a leading manufacturer of pneumatic, electromechanical and hydraulic brake systems for rolling stock.																																																						
Kovis D.O.O	Serbia/Slovenia	JV products include brake discs, axles and gear boxes for railway rolling stock.																																																						
Talleres Alegra	Spain	JV will produce Weldable Cast Manganese Steel (WCMS) Crossings for both BG (Broad Gauge) and Metro.																																																						
Titagarh Wagon	<ul style="list-style-type: none"> ▪ Year of Incorporation: 1997 ▪ Plant Location: West Bengal and Rajasthan ▪ Installed Capacity: <table border="1"> <tbody> <tr> <td>Wagon</td> <td>8,400 units</td> </tr> <tr> <td>Coaches</td> <td>200 units</td> </tr> <tr> <td>Liquid Metal (MT)</td> <td>30,000</td> </tr> <tr> <td>Loco Shells</td> <td>200 units</td> </tr> </tbody> </table> ▪ Key Products Manufactured: Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. ▪ Financial Performance: (Rs in Cr) <table border="1"> <thead> <tr> <th>Particulars</th> <th>FY2020</th> <th>FY2021</th> <th>FY2022</th> <th>H1FY2023</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>1,84</td> <td>1,026</td> <td>1,475</td> <td>1,065</td> </tr> <tr> <td>EBITDA</td> <td>146</td> <td>131</td> <td>182</td> <td>121</td> </tr> <tr> <td>Net Profit</td> <td>(80)</td> <td>50</td> <td>79</td> <td>11</td> </tr> <tr> <td>Order Book</td> <td>2,500</td> <td>2,600</td> <td>10,675</td> <td>10,040</td> </tr> </tbody> </table> ▪ Market share in Railway ordering: 18% (total tenders from CY2011 to CY2022) ▪ Capacity Expansion Plans: Company plans to expand its Wagon capacity to 12,000 units from existing 8,400 units over the period of 3 years. ▪ Subsidiaries/Joint Venture: <table border="1"> <thead> <tr> <th>Particulars</th> <th>Country</th> <th>Business Activity</th> </tr> </thead> <tbody> <tr> <td>Titagarh Bridges & International Private Ltd</td> <td>India</td> <td>Engaged in designing, marketing and manufacturing of metallic bridges</td> </tr> <tr> <td>Titagarh Singapore Pte. Limited</td> <td>Singapore</td> <td>SPV for holding investments in foreign subsidiaries</td> </tr> <tr> <td>Titagarh Wagons AFR</td> <td>France</td> <td>Engaged in manufacture of freight wagons</td> </tr> <tr> <td>Titagarh Firema S.p.A</td> <td>Italy</td> <td>Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.</td> </tr> <tr> <td>Titagarh Mermec Pvt Ltd</td> <td>India (Joint Venture)</td> <td>Engaged in development and manufacture of cost-effective diagnostic solutions for signalling and safety</td> </tr> </tbody> </table> 					Wagon	8,400 units	Coaches	200 units	Liquid Metal (MT)	30,000	Loco Shells	200 units	Particulars	FY2020	FY2021	FY2022	H1FY2023	Revenue	1,84	1,026	1,475	1,065	EBITDA	146	131	182	121	Net Profit	(80)	50	79	11	Order Book	2,500	2,600	10,675	10,040	Particulars	Country	Business Activity	Titagarh Bridges & International Private Ltd	India	Engaged in designing, marketing and manufacturing of metallic bridges	Titagarh Singapore Pte. Limited	Singapore	SPV for holding investments in foreign subsidiaries	Titagarh Wagons AFR	France	Engaged in manufacture of freight wagons	Titagarh Firema S.p.A	Italy	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.	Titagarh Mermec Pvt Ltd	India (Joint Venture)	Engaged in development and manufacture of cost-effective diagnostic solutions for signalling and safety
Wagon	8,400 units																																																							
Coaches	200 units																																																							
Liquid Metal (MT)	30,000																																																							
Loco Shells	200 units																																																							
Particulars	FY2020	FY2021	FY2022	H1FY2023																																																				
Revenue	1,84	1,026	1,475	1,065																																																				
EBITDA	146	131	182	121																																																				
Net Profit	(80)	50	79	11																																																				
Order Book	2,500	2,600	10,675	10,040																																																				
Particulars	Country	Business Activity																																																						
Titagarh Bridges & International Private Ltd	India	Engaged in designing, marketing and manufacturing of metallic bridges																																																						
Titagarh Singapore Pte. Limited	Singapore	SPV for holding investments in foreign subsidiaries																																																						
Titagarh Wagons AFR	France	Engaged in manufacture of freight wagons																																																						
Titagarh Firema S.p.A	Italy	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.																																																						
Titagarh Mermec Pvt Ltd	India (Joint Venture)	Engaged in development and manufacture of cost-effective diagnostic solutions for signalling and safety																																																						
Texmaco Rail & Engineering Ltd	<ul style="list-style-type: none"> ▪ Year of Incorporation: 1998 ▪ Plant Location: West Bengal and Chhattisgarh ▪ Installed Capacity: <table border="1"> <tbody> <tr> <td>Wagon</td> <td>9,000 units</td> </tr> </tbody> </table> ▪ Key Products Manufactured: Manufacturing, selling and providing service for Rail and Rail related products ▪ Financial Performance: (Rs in Cr) <table border="1"> <thead> <tr> <th>Particulars</th> <th>FY2020</th> <th>FY2021</th> <th>FY2022</th> <th>H1FY2023</th> </tr> </thead> </table> 					Wagon	9,000 units	Particulars	FY2020	FY2021	FY2022	H1FY2023																																												
Wagon	9,000 units																																																							
Particulars	FY2020	FY2021	FY2022	H1FY2023																																																				

Revenue	2,020	1,829	1,814	783
EBITDA	153	128	135	52
Net Profit	(66)	12	183	(9)

▪ **Market share in Railway ordering:** 16% (total tenders from CY2011 to CY2022)

▪ **Subsidiaries/Joint Venture:**

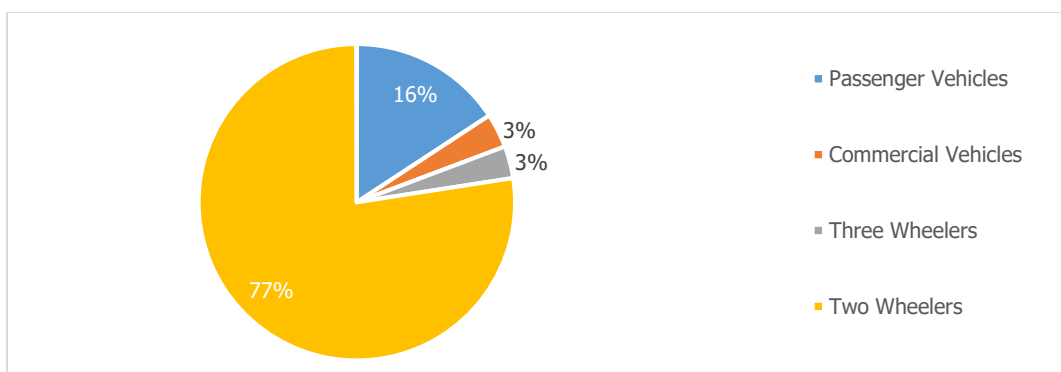
Particulars	Country
Belur Engineering Pvt. Ltd	India
Texmaco Transtrak Pvt. Ltd	India
Texmaco Rail Systems Pvt. Ltd.	India
Texmaco Rail Electrification Ltd.	India
Texmaco Engineering Udyog Pvt Ltd.	India
Touax Texmaco Railcar Leasing Pvt Ltd	India (JV)
Wabtec Texmaco Rail Pvt Ltd	India (JV)
Texmaco Defence Systems Pvt Ltd	India (Associate)

Commercial Vehicle Industry in India

Indian Automobile market segments

The Indian automobile market can be categorized in four segments – two-wheelers, three wheelers, passenger vehicles and commercial vehicles.

Share of different categories in automobile sales



Source: SIAM

Overview of Commercial Vehicle Industry

The Indian Commercial Vehicle (CV) Industry is the lifeline of the economy. About two-thirds of goods and 87% of the passenger traffic in the country moves via road. Past trends have shown that CV demand is closely correlated with GDP growth rate of the country and therefore, it is believed that a phase of growth or slowdown in CV demand is a harbinger of an upturn or downturn in the economy respectively.

Commercial Vehicle - Segments

In India, the CV segment is divided between Light Commercial Vehicle (LCVs) and Medium & Heavy Commercial Vehicles (M&HCVs) based on tonnage. Vehicles with Gross Vehicle Weight (GVW) below 7.5T are classified as LCVs, whereas vehicles with GVW above 7.5T are categorized as M&HCVs.

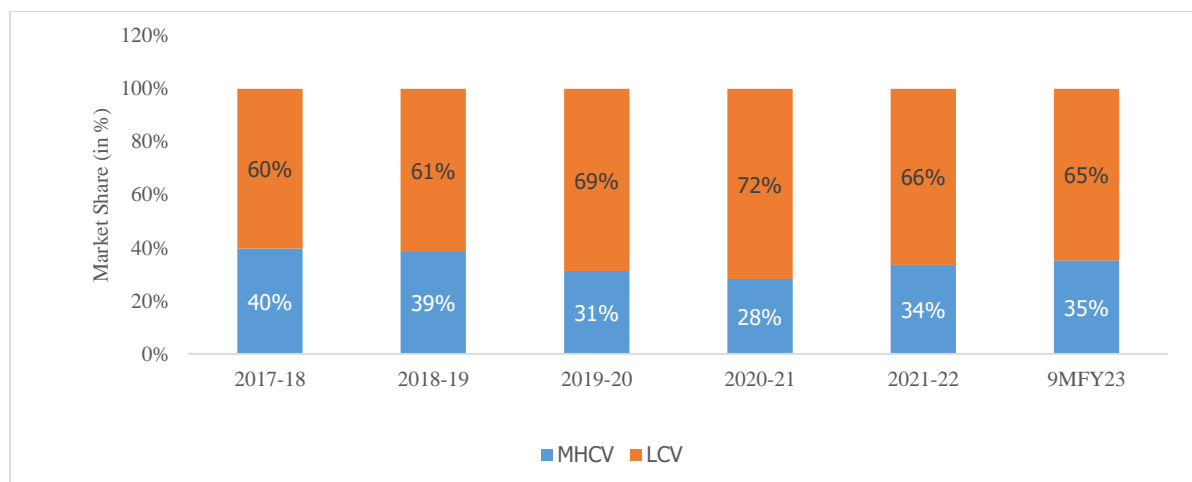
Medium and Heavy Commercial Vehicle

The MHCV segment generally caters to the logistic companies for long distance transport and companies in infrastructure, metal and mining sectors. Therefore, the growth of this segment is considered to be a good indicator of industrial and infrastructure growth in the economy. The MHCV segment can be further classified into two segments, trucks and buses.

Light Commercial Vehicle

The LCV segment is usually required for short haul transportation and last mile connectivity. The growth of this segment indicates growth in consumption demand. The LCV segment can be classified into goods carrier and passenger carrier.

Segment wise market share of commercial vehicles in India

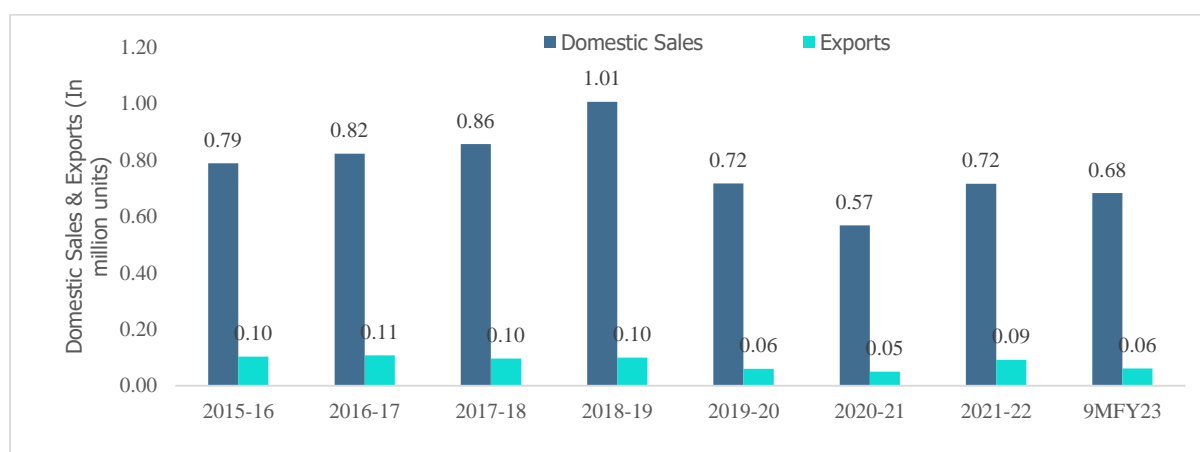


Source: SIAM

Past Sales Trend

The historical trend of domestic sales and exports of CVs from India is depicted below:

Domestic sales and Exports of Commercial Vehicles in India



Source: SIAM (Society of Automobile Manufacturers)

Domestic Sales and Exports in 9MFY23

Categories	Domestic Sales			Exports		
	9MFY23	9MFY22	Growth (in %)	9MFY23	9MFY22	Growth (in %)
Two-Wheelers	1,22,57,494	1,01,80,216	20.4%	29,51,358	33,41,235	-11.7%
Passenger Vehicles	28,71,695	21,48,838	33.6%	4,91,037	4,23,997	15.8%
Commercial Vehicles	6,83,310	4,66,760	46.4%	60,950	64,942	-6.1%

Tractors	7,34,453	6,64,658	10.5%	99,681	96,467	3.3%
Three-Wheelers	3,97,965	1,70,721	84.4%	3,03,495	3,86,047	-21.4%
Total	1,68,61,699	1,36,31,193	23.7%	39,06,521	43,12,688	-9.4%

Government Initiatives and Regulatory Framework

Various government initiatives for the commercial vehicle industry are mentioned below: -

Scrappage Policy

The government had announced the scrappage policy in 2021 which will mandate commercial vehicle fleet owners to abandon or scrap their vehicles after 15 years if they don't meet the fitness or emission criterion laid by the government. Beginning April 1, 2023, fitness testing of Heavy Commercial Vehicles (HCVs) shall be conducted through Automated Testing Stations (ATSS). For other types of Commercial Vehicles (CVs) and Private Vehicles (PVs), the fitness testing shall also be conducted through the ATS and it will begin on June 1, 2024. This is likely to generate demand for new CVs and further boost sales. Moreover, it will help in curbing pollution, improving road safety, better fuel efficiency, boosting the availability of low-cost raw materials for auto, steel and electronics industry.

Conditions	Tentative timeline
Rules for testing fitness of vehicles	October 1, 2021
Scrappage of Public Sector Undertaking (PSU) and government vehicles over 15 years old	April 1, 2022
Fitness testing of HCVs	April 1, 2023
Fitness testing of other CVs and PVs	June 1, 2024

Revision of Axle Load Weight

The permissible safe axle weight of goods vehicles was revised and increased by about 15% to 20 % for different configurations of axles by the Ministry of Road Transport and Highways. This decision was taken with a view to help in increasing the carrying capacity of goods transport vehicles and bring down logistics cost. This amendment will further increase the carrying capacity of goods vehicles by about 20-25 % and lower logistics costs by about 2%. It will also bring down the incidence of overloading.

Push towards clean technology with electric vehicles

There is a Government's thrust on the adoption of Electric Vehicles (EVs) in India and has been supporting the EVs through various favourable policies. Recently in June 2021, the Government made a partial modification in FAME II by increasing the demand incentives and subsidy for all plug-in hybrids and strong hybrids EVs by 50% with a focus to increase EV adoption. The rise of E-commerce has a huge potential for the deployment of Electric Commercial Vehicles for last mile delivery. Moreover, the push towards public transportation in urban areas supported by clean technology will benefit from lower operating costs of EVs along with reduction in emissions which will further lead to increased adoption of EV passenger carriers and buses in CV space.

Battery Swapping Policy

The government in the recent budget 2022-23 announced Battery Swapping policy for electric vehicles to focus on clean technologies and sustainable mobility along with formulation of inter-operability standards. This policy is formulated due to the inconvenience of vehicle owners considering the long-time taken to charge the vehicle at the charging stations. Inter-operability standards will lead to interchangeability of batteries between vehicles of different models, which is more convenient for the owners and is less time consuming. The private sector will be encouraged to sustainable and innovative business models for 'Battery or Energy as a service'. The manufacturers and entrepreneurs will be encouraged to set up battery stations. Since the battery replacement establishment is on PAN India basis, it will lead to expansion of support infrastructure providing impetus to EV sales.

PLI Scheme for EV

The Union Cabinet has launched PLI scheme (Production-Linked Incentive) for Automobile and Auto Component Industry in India during Union budget 2022-23, that encourages the development of advanced automobile

products, the most prominent of which is battery electric technology. The scheme, which has been in the works for some time, offers Rs 26,058 crore (₹ 261 billion) incentive that will be paid out over a five-year period.

Penetration of EVs on Growth Trajectory

As per Canter for Energy Finance, there are 8,23,072 EVs registered in India until December 2022. The growth of EV segment in India has been on an increasing trend. The EV sales have grown at a CAGR of 35% during FY18 to FY22. (Although, EV sales declined in FY21 due to the adverse impact of Covid-19).

The 2W and 3W segments dominate the Electric Vehicles market in India, comprising of around 54% and 41% respectively of total EV sales in year FY2022. The historical trends of sales of EVs are depicted in the figure below:

Sale of EV Units in India (Thousands)

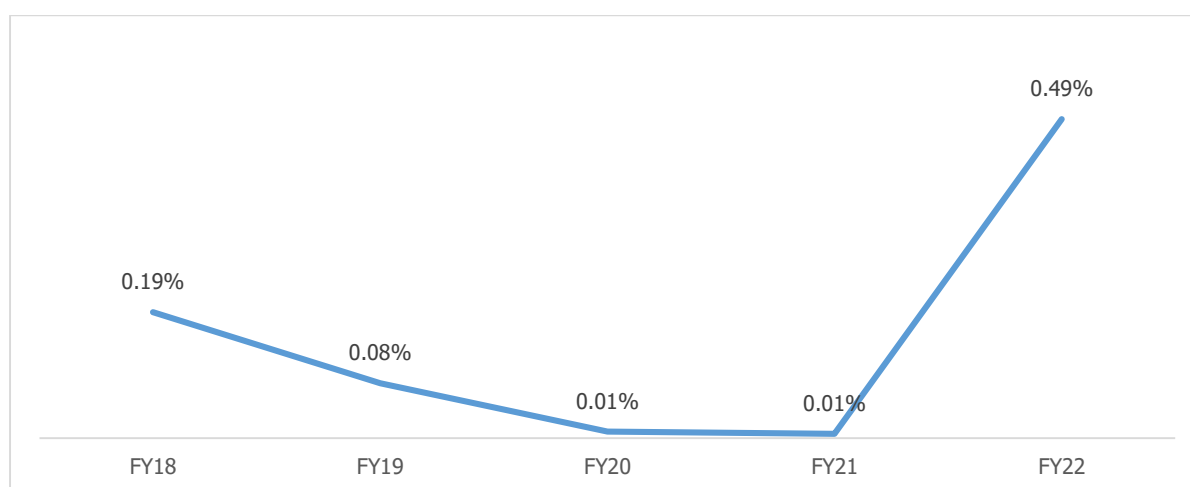
EV Sales Units	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023YTD (April to Dec)
Two-wheeler	1,897	25,393	24,839	40,837	2,31,357	5,06,711
Three-wheeler	92,395	1,18,944	1,40,683	88,378	1,77,874	2,76,578
Four-wheeler	1,362	1,632	2,727	4,588	16,853	37,755
Goods vehicle	993	517	50	28	2,327	2,028
Total EV sales units	0.10	0.15	0.17	0.13	0.43	0.82

Source: Council of Energy & Environment & Water (CEEW)

E-LCV's/ Electric Goods Vehicle:

With growing fuel prices, rising green tax expenditures, and rising pollution, the market is gradually transitioning to electric vehicles, and commercial vehicle manufacturers are responding by developing new products.

E-LCV's/ Electric Goods Vehicle penetration



Source: CMIE, Council of Energy & Environment & Water (CEEW), CareEdge Research

Note: The above chart data is calculated by dividing electric goods vehicle by total ICE LCV's & electric goods vehicle.

From the above chart it can be seen that the penetration of EVs in LCV segment has declined over the years, however, in FY22 it saw a great growth but still having lesser penetration. Going forward it is expected to witness strong growth owing to rising demand for last mile connectivity amid growing e-commerce sector.

India electric small commercial vehicles market

The small commercial vehicles which are used primarily for first and last mile connectivity, have tremendous growth potential in India owing to boom in E-commerce. E-commerce is undergoing a paradigm shift as a result of growing consumer demands, particularly for same-day deliveries. The logistics industry has been drastically transformed due to the changing pattern in demand resulting in increased penetration in the small commercial vehicle (SCV) segment. The historical sales trend of electric small commercial vehicles is depicted below:

Small commercial vehicle/ Goods carrier vehicle sales

EV Sales Units	Goods Carrier vehicle
FY2018	993
FY2019	517
FY2020	50
FY2021	28
FY2022	1,141
FY2023YTD (April to Dec)	424

Source: Council of Energy & Environment & Water (CEEW)

Since, EVs have lower operating cost as compared to ICE vehicles, the higher utilization of SCVs is expected to result in lower Total Cost of Ownership of EVs as compared to ICE Vehicles. Furthermore, scrappage policies for ICE vehicles and growing sensitivity towards environmental, social and governance (ESG) in the auto industry may provide additional impetus for clean transportation.

Commercial Vehicle Load Bodies Manufacturing Industry

Commercial vehicle load body is the assembly of number of parts and its mounting fitted on the chassis with the required load body mounting arrangement. The load body parts include floor panels, side walls, tail gate and sub frame assembly which are designed considering rules and regulatory measures. Majority of the commercial vehicle manufacturers procure load bodies from OEM – load body manufacturers. Load bodies account for roughly 10%-40% of the cost of commercial vehicle depending on category of commercial vehicle. Domestic load body manufacturing industry is a fragmented industry with multiple regional/city-specific manufacturers belonging to the MSME segment.

Demand for load bodies is correlated to the demand of commercial vehicles. The domestic load body industry is expected to grow by 20%-25% in FY23 in-line with the commercial vehicles industry and maintain a structural up-cycle in the near-medium term.

With Make in India initiative, production from various industries has increased as industries have been made attractive by various government schemes. Many multinational companies are investing in India while some are shifting their manufacturing to India from China. With the development of new factories demand for commercial vehicles is expected to grow as the goods are to be transported out of factory by road. Also, development of logistics park and dry ports will add to the demand for commercial vehicles.

Container Industry

Overview

Containers are large metal boxes which are used to transport cargo by ship, rail or road. They are typically made of corrugated steel or aluminium to give the containers necessary strength to hold bulky cargo in transit. Containers are available in multiple heights such as 20 ft, 40 ft etc. and multiple variants which are required to be ISO approved. Key types of containers are listed in the following table.

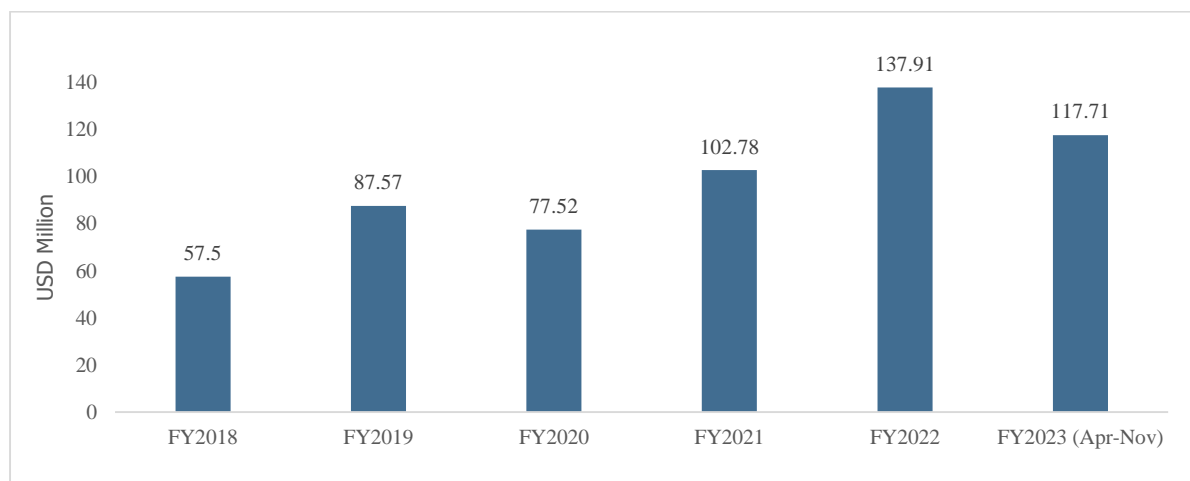
Type of Container	Key Features
Dry containers	Dry containers are most extensively used type of containers globally. They are used for transport of dry goods which are generally packed in cartons, drums, sacks, cases, pellets etc. They are generally airtight to prevent the goods from being damaged.
Reefer containers	Reefer containers are refrigerated containers and are used to transport temperature-critical goods such as vegetables, seafood, fish, meat, fruits, pharmaceuticals, flowers etc.
Tank containers	Tank containers are used for transportation of gas, liquid and powder products
Others	Flat rack, tunnel, open top, insulated, special purpose containers etc.

The price of a new 40 ft conventional dry container is in the range of Rs 4-5 lakh. The reefer or refrigerated containers are more premium due to the refrigeration function and high degree of customisation with a price range of Rs 6.5 to 7 lakh for a new 40 ft container.

Indian Container Industry

India utilises 3.5-4 lakh containers per annum. Indian container manufacturing industry is currently at a nascent stage and India is largely dependent on Chinese exports for its container requirement.

Indian Container Imports



Source: Ministry of Commerce and Industry

Container Corporation of India (CONCOR), a public sector enterprise under the Indian Railways, is India's largest container fleet operator with 37,000 containers. Historically, CONCOR has been importing majority of its containers from China. However, following the acute shortage of containers during the Covid-19 pandemic, the Indian Government proposes to augment the Indian manufacturing capacity to reduce dependence on imports under the ambit of Make in India and Atmanirbhar Bharat. CONCOR is proposing to increase its container fleet to 1.5-2 lakh containers over the next 3-4 years in line with the expected increase in domestic and export containerised freight traffic and proposes to source the same domestically. CONCOR has recently placed orders for 18,000 containers with domestic manufacturers which are summarized in following table.

Container Orders Placed by CONCOR

Month	Supplier	Value (Rs Cr.)	Number of Containers
NA	Four suppliers based in South India	NA	3,500
March 2021	Braithwaite & Co Ltd	NA	1,000
March 2021	Bharat Heavy Electricals Ltd	NA	1,000
May 2022	Mazagon Dock Shipbuilders Ltd	100	2,500
August 2022	APPL Containers Pvt Ltd	477	10,000

Source: Company Reports, Industry Sources

Indian containers are also seeing demand from domestic logistics and manufacturing players for in-land transportation of goods. MNC players such as DP World and GE have also placed orders with the domestic container manufacturers.

Competitive Landscape

The manufacturing capacity in India was not significant as the domestic requirement was largely being met through imports. However, driven by the Government's push for domestic procurement of container, India has seen advent 10-15 container manufacturers, both public sector and private sector entities.

Container Manufacturers in India

Sr No.	Name of Company	Installed Capacity (Units) (FY2022)
1	Bharat Heavy Electricals Ltd	NA
2	Braithwaite & Co. Ltd	6,000

Sr No.	Name of Company	Installed Capacity (Units) (FY2022)
3	DCM Hyundai Ltd.	NA
4	J.K. Technologies Pvt. Ltd	NA
5	AB Sea Container Private Limited	NA
6	Techno-cap Equipments India Pvt Ltd	NA
7	Kalyani Cast Tech Pvt Ltd	3,500
8	Jupiter Wagons Ltd	3,500
9	Jindal Steel and Power Ltd	24,000
10	Mazagon Dock Shipbuilders Ltd	NA
11	APPL Containers Pvt Ltd	18,000

Source: Company Reports, Industry Sources

The Government of India has announced its plans of developing Bhavnagar in Gujarat a domestic hub of container manufacturing in India and expect an investment of Rs 1,000 crore in manufacturing facilities over the next few years. Further, Mazagon Dock Shipbuilders Ltd has invited an expression of interest for setting up container manufacturing facility for 20,000 containers per annum and expandable up to 40,000 containers per annum. Steel players such as ArcelorMittal Nippon and Jindal Steel and Power Ltd are also evaluating commencement/expansion of their container production facilities.

Growth Drivers

Growth in domestic logistics industry

The logistics industry is an integral part of economic activity and has emerged as one of the key sectors in India contributing 13-14% of GDP. Increasing demand for e-commerce, the expansion of the retail sector, growth in the manufacturing sector and the government's infrastructure development initiatives augur well for the logistics industry in India.

Rising share of Railways in containerised cargo movement

Under the National Railway Plan, the railways target to achieve 45% share in the domestic freight movement from the existing 26%. To enable this, multiple initiatives such as the Dedicated Freight Corridor have been introduced which are expected to reduce cost and time of movement of goods through the railway network. Containerized cargo movement by rail is expected to witness a healthy growth on the back of increasing preference for railway as a mode of freight transport. The Indian Railways is taking various initiatives to increase the share of containers in railway transport which is expected to increase its in share in container cargo transport from 25% in FY2022 to 48% in FY2030.

Growth in Dry Ports/Inland Container Depots

An Inland Container Depot (ICD) or a dry port is a container storage facility situated in the interiors, away from any major port. Shipping companies use ICDs to store and move shipping containers before and after transporting them to the seaport. ICDs enable shipping companies to provide port services more conveniently to the customers who are located in the interiors. Currently, India has 87 ICDs across states with a total cargo handling capacity of 2.8 million TEUs. Further, 13 ICDs are under construction.

State	Number of ICDs	Operational Capacity (in TEUs)
Andhra Pradesh	1	16,271
Assam	1	1,019
Chhattisgarh	1	2,056
Delhi	2	2,55,050
Gujarat	9	3,73,916
Haryana	11	5,46,603
Himachal Pradesh	1	1,070
Karnataka	2	59,623
Kerala	1	2,785
Madhya Pradesh	5	1,29,628
Maharashtra	9	2,51,274

State	Number of ICDs	Operational Capacity (in TEUs)
Odisha	3	31,428
Punjab	8	2,45,855
Rajasthan	7	2,95,053
Tamil Nadu	11	2,19,672
Telangana	2	1,24,825
Uttar Pradesh	9	1,73,771
Uttarakhand	2	38,904
West Bengal	2	18,805
TOTAL	87	27,87,608

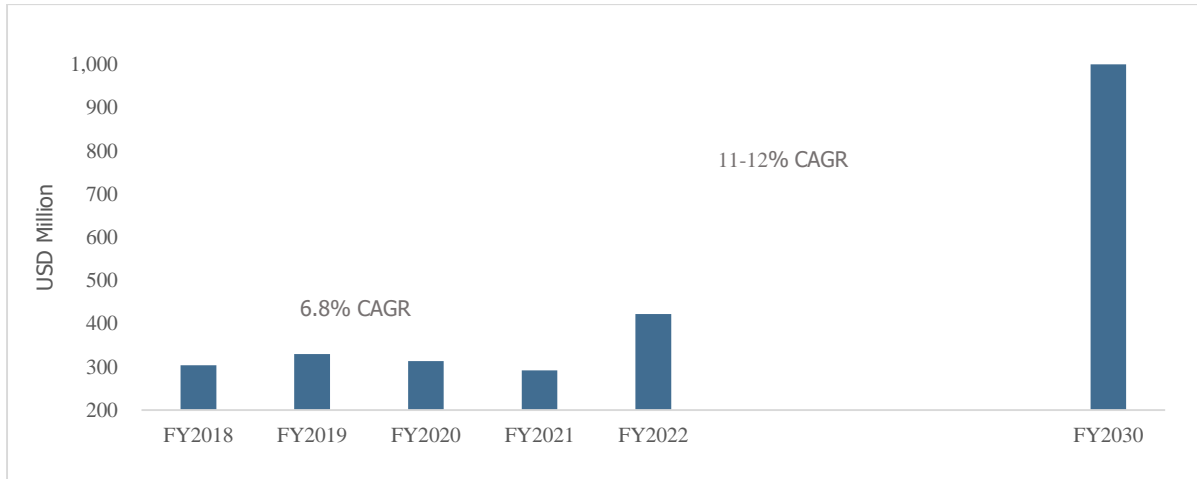
Source: PIB

As ICDs are a critical enabler for the shipping logistics industry, the government has been focussing on expansion of ICDs across India. The government has constituted an Inter-Ministerial Committee (IMC) to act as a single window for clearance of proposals to set up ICDs. Further, Government revises its policy and procedure for setting up of ICDs from time to time to meet the requirement of the changing paradigm and the aspiration of the trade. Rising ICDs is expected to lead to an increase in shipping cargo volumes and consequently the demand for shipping containers in India.

Increase in maritime shipping

In FY22, Indian merchandise exports stood at USD 422 billion, growing at a CAGR of 6.8% over the past 5 years. Exports contributed 50% of the incremental GDP in FY22. The government targets to achieve overall exports of USD 2 trillion (product and services) and product exports of USD 1 trillion by year 2030, implying a CAGR of 11-12%. The growth in exports augurs well for the domestic container industry.

Indian Export Growth Trend



Source: Ministry of Commerce & Industry, PIB

Rising preference of shipping industry for containerised cargo

Containers allow for clear brand recognition, particularly for shipping lines. Further, they help in increasing the utilisation rates of container ships. With rising levels of intermodal integration and control in which maritime shippers interact with port terminal operators as well as with inland transport systems such as railways and inland ports, controlling container assets enables more efficient use of the transport chain. These benefits have led to the shipping companies expand their fleet of containers

Government focus on domestic procurement

The severe container crunch witnessed post the Covid-19 pandemic has led the government to take various steps to encourage the manufacturing of containers in India. Under the Make in India and Atmanirbhar Bharat schemes, the Government of India proposes to augment the capacity of the container manufacturing industry to reduce the dependence on container imports especially from China. As a first step, the government has identified Bhavnagar, Gujarat for setting up a container manufacturing hub where-in pilot projects were set up at ten locations which have been successful. The government subsequently has taken several steps to encourage establishment of manufacturing facilities in the region. To further encourage container manufacturing in India, CONCOR proposes to source all of its future container requirement domestically. Additionally, the government is in discussion with various shipping lines to source their container requirement from Indian manufacturers once the capacities are in place.

Proposed incentives for container manufacturers

The government has set up an inter-ministerial committee — which includes officials from the ministries of shipping, steel and commerce, as well as representatives from CONCOR and the National Industrial Corridor Development Corporation — to bring container manufacturing under the ambit of production linked incentive (PLI) scheme to make domestic manufacturing more cost competitive and encourage private players to set up container manufacturing facilities in India. The committee is also evaluating a cluster-based manufacturing approach for the container manufacturers. It is also looking to simplify the approval and certification process of the manufacturers.

Container manufacturing requires a special grade Corten-A steel which is not manufactured on a large scale in India. The government through the steel ministry has taken up the matter with the large steel manufacturers in India get themselves registered with Bureau of Indian Standards (BIS) and obtain a license to roll Corten steel according to the standards specified. In December 2022, Tata Steel's Jamshedpur plant was the first to receive an all India license to produce structural weather resistant Corten steel.

The Government of India thus is taking multiple initiatives to address the challenges faced by container manufacturer in India which will promote and ease container manufacturing in India.

Outlook

The domestic container demand is expected to be healthy over the next 3-4 years driven by healthy growth in exports, increase in domestic containerised freight traffic due to government schemes such as DFC, and government's push on domestic procurement. Private sector, especially the logistics sector, is also expected to increase its share in domestic procurement of containers for inland movement of cargo to cater to domestic demand. The demand for specialised containers such as refrigerated containers is expected to see strong growth backed by increase in domestic trade and exports of perishable goods, pharmaceuticals etc.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations” on pages 46 and 84, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2020 is derived from the Audited Financial Statement for the Financial Year ended March 31, 2020, whereas for Fiscals 2021 and 2022 included herein is derived from the Audited Financial Statements for the Financial Year ended March 31, 2022 and the Consolidated Unaudited Financial Results, included in this Placement Document. For further information, see “Financial Information” on page 207.

Unless otherwise indicated, industry and market data used in this section have been derived from the report “Industry Research Report on Railway Infrastructure, Shipping Container & Commercial Vehicle Industries” dated February 6, 2023 (the “CARE Report”) prepared and released by CARE and commissioned and paid by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Presentation of Financial Information and Other Conventions” on page 12.

OVERVIEW

We are one of the premier manufacturers of railway wagons, components, and castings for passenger coaches and freight wagons in India. We are counted among one of the top manufacturers of advanced railway transportation equipment worldwide. Over the last decades, we have emerged as a one-stop solutions provider for passenger coaches and freight wagons in India. We design and manufacture application-based load bodies for commercial vehicles. Our product offerings include tippers, trailers for mining, infrastructure and construction, other applications include disposers for municipalities as well as private companies, refrigerated vans, special purpose defence vehicles, reconnaissance vehicles, RAF vehicles, water and oil tankers so on and so forth.

We complement and supplement EPC projects with our heavy fabrication capabilities and experience in the steel fabrication sector. We have expanded our product offerings with manufacturing of containers for surface and marine cargo in almost all classified ISO standard range as well as special and customized varieties comprised of refrigerated ones.

We have an alliance with the leading railway engineering company in the European Union named Tatravagonka Poprad. Our joint venture projects for High Speed LHB Passenger Train Brake System with DAKO-CZ (Czech Republic) has been fully operational with all due approvals received from the Indian Railway. Our second Joint Venture with Kovis Proizvodna (Slovenia) for manufacture of Brake Discs duly approved by the Indian Railways, for all types of Passenger Trains including LHB, Vande Bharat, Metro Coaches with further capacity for export to the global markets. For all high-speed railway corridors, our third Joint Venture Company with Talleres Alegria S.A (Spain) will produce Flash Butt-Welded CMS Crossings.

We commenced our business as a manufacturer of application-based load bodies for commercial vehicles in the year 1979, through erstwhile Commercial Engineers & Body Builders Co Limited (“CEBBCO”) and diversified into manufacturing of locomotive bodies for road and railway transportation, wagons and ISO marine containers for domestic and international use. The present management of the Company, through the erstwhile Jupiter Wagons Limited had invested in CEBBCO in 2019. Pursuant to the scheme of amalgamation dated September 28, 2020 (“Scheme of Amalgamation”) and order dated May 13, 2022 passed by the National Company Law Tribunal, Indore Bench and order dated February 28, 2022 by the National Company Law Tribunal, Kolkata Bench (“NCLT Orders”), the business of erstwhile Jupiter Wagons Limited, leading manufacturer of freight wagons and railway components was amalgamated with the business of CEBBCO and the name of our Company was changed to “Jupiter Wagons Limited”.

We are led by experienced Promoters and Management, some of whom have significant experience and proven track record in the wagon industry. Our Chairman Emeritus, Shri Murari Lal Lohia has extensive leadership

experience in the wagon industry. Further, our Managing Director, Vivek Lohia and our Whole-time Director, Vikash Lohia have an experience of approximately 15 years in the wagon industry. We believe that our market position is a result of the vision of our senior management team and their collective experience in the wagon industry.

Broadly, we divide our business into two parts – one that includes products related to railways ("**Rail mobility**") which contributes approximately 72.72% of the total revenue of our Company as per the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2022 and the other that includes products related to application-based load bodies for commercial vehicles & containers ("**Non-Rail mobility**").

Rail mobility Business

We are one of the largest suppliers of wagons in India with the Indian Railways being our largest customer. We also have strong in-house capabilities for design and manufacture of commodity specific wagons for core sectors serviced by the railways. Our Rail mobility business is diversified into four specialized verticals:

- (i) **Wagons:** The products manufactured under this division include wagons for the transport of goods and commodities, namely coal, iron ore, food grains, petroleum, cement, and metals such as steel and aluminum along with finished goods. Based on the requirements and specifications provided by our customers, we have capabilities of manufacturing various kinds of wagons such as open wagons, covered wagons, flat wagons, hopper wagons, container wagons and special purpose wagons. We are certified by the Research Design and Standards Organization (RDSO) for manufacturing of 6,500 wagons annually.
- (ii) **Wagon and Passenger Coach Accessories:** In addition to wagons, we also manufacture wagon accessories such as couplers, draft gears, bogies and yoke along with passenger coach accessories such as fabricated bogie, couplers and draft gears for passenger trains, axle mounted disc brake system and brake disc.
- (iii) **Track Solutions:** Under this vertical, we supply to the Indian Railway as well as to the Association of American Rail Roads. Our products are manufactured as per the requirements of our customers based on the specifications provided to us. In addition to the wagons manufactured by us for the railway sector, our offerings of track solutions mold us into a one-stop solution for our customers in the railway sector. We offer track solutions ("**CMS**") for the railway sector in the form of CMS crossings and will be introducing weldable CMS crossings on PSC sleepers for the Indian Railways and European Railways.

As on March 31, 2023, we have two manufacturing units for our Rail mobility business, located at Bandel, West Bengal and Jabalpur, Madhya Pradesh. We intend to continue to improve our manufacturing processes and systems, as well as invest in new technology areas to further expand our business. Our goal is to bring leading technologies to the mainstream markets with high quality and cost competitive solutions. We strive to do this with speed, agility and creativity by delivering customized solutions with quality service, while fostering an environment that empowers employees and encourages the pursuit of excellence.

We employ an extensive and stringent quality control built in process and systems at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. The quality of our product offerings is documented in the certifications which we have received including, IATF 16949, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Type Approval Certificate for International Convention for Safe Containers from LRQA Verification Limited G-105 by the Indian Railways and M-1003 by the Association of American Rail Road.

Given below is an illustration of some of our product offerings in the Railway business of the Company:

Particulars	Kinds of Product
1. Wagons	Open wagons
	Covered wagons
	Container wagons
	Hopper wagons
	Auto-car wagons
	Special purpose wagons
2. Wagon and Passenger Coach Accessories	Wagon Accessories
	Alloy steel cast bogies
	High tensile center buffer coupler

	High capacity draft gear
	Passenger Coach Accessories
	Fabricated bogie
	Coupler and draft gear for fabricated train
	Axle mounted disc brake system
	Brake disc and split brake disc
	Brake disc
3. Track Solutions	CMS crossings for Indian railways
	Weldable CMS crossings on PSC slippers for Indian railways
	Explosion hardenable AREMA frogs (CMS Crossings) for North American Rail Roads
	Weldable CMS crossings for European railways

Non-Rail Mobility Business

We focus on application based load body development and design products based on our clients' standards and requirements. Our OEM services include design and manufacturing of water tankers, containers and various municipal applications for commercial vehicles based on the specifications provided by our customers. We also manufacture troop carriers for Ministry of Defence in India. Our Non-Rail mobility business is classified into two specialized verticals:

- (i) **Commercial Vehicles:** We manufacture and supply application-based load bodies for commercial vehicles for OEM and non-OEM customers. These are used for a variety of purposes including for mining and road construction activities, goods transportation, defense vehicles, various municipal applications and special purpose vehicles based on the requirements of our customers.
- (ii) **Containers:** We are one of the leading manufacturers of containers in India, capable of manufacturing containers of length upto 40 feet. Our products under this segment include shipping containers, refrigerated and RSU containers and truck mounted containers. Our shipping containers are standardized containers used in the shipping and transport industry, allowing the transport of goods by rail, road and ship. We have further specialized our product range by offering refrigerated container or reefer which are capable of refrigeration for the transportation of temperature-sensitive goods.

As on March 31, 2023, we have four manufacturing units for our Non-Rail mobility Business, located at Indore, Udaipura and Richai in Madhya Pradesh and Jamshedpur in Jharkhand.

Given below is an illustration of some of our product offerings in the Non-Railway business of the Company:

Particulars	Kinds of Product
1. Commercial Vehicles	Load bodies for Commercial vehicles (Tippers, Trailers, Tankers, etc.) for mining, infrastructure and construction
	Load bodies for Commercial vehicles for white goods transportation
	Troop carrier and water browser for defense sector
	Light recovery vehicles
2. Containers	Shipping containers
	Refrigerated and RSU containers
	Truck mounted containers

The table below sets forth the composition of our Company's total revenues, EBITDA, profit after tax and Return on Equity, for fiscals 2020, 2021, 2022 and the nine-month period ended December 31, 2022:

Particulars	Nine months ended December 31, 2022	Fiscal 2022*	Fiscal 2021*	Fiscal 2020 [#]
Revenues (in ₹ lakhs)	1,35,654.72	1,17,835.40	99,575.02	12,574.39
Revenue Growth (%)	66.30%^	18.34%	691.89%	-
EBITDA (in ₹ lakhs)	15,983.70	11,410.66	10,632.69	208.69

Particulars	Nine months ended December 31, 2022	Fiscal 2022*	Fiscal 2021*	Fiscal 2020#
EBITDA Margin (%)	11.78%	9.68%	10.68%	1.66%
Profit After Tax (in ₹ lakhs)	8,146.13	4,965.49	5,339.63	(13.97)
PAT Margin (%)	6.00%	4.21%	5.36%	-0.11%
Return on Equity (%)	14.54%^^	7.47%	8.68%	-0.16%

*Derived from the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2022.

#Derived from the Audited Financial Statements for the Financial Year ended March 31, 2020 of erstwhile CEBBCO before taking effect of amalgamation.

^Revenue Growth has been compared with corresponding nine-month period ended December 31, 2021.

^^Annualised.

The order book of our Company, as on March 31, 2023 stands at ₹5,81,835.98 lakhs.

Group Holding Structure

Particulars	Name	Ownership of the Company
Holding Company	Not Applicable	-
Subsidiary Company	Jupiter Electric Mobility Private Limited	60%
	Habitation Real Estate LLP	90%
Joint Ventures/Associate Companies	JWL DAKO-CZ India Limited	50%
	JWL-KOVIS (India) Private Limited	50%
	JWL Talegria (India) Private Limited	50%

Our Subsidiaries

- Jupiter Electric Mobility Private Limited (“JEMPL”):** JEMPL was incorporated on November 15, 2021 for manufacturing and supply of battery operated-electric buses and trucks to the Indian market. We have forayed into new mobility solution with JEMPL to bring sustainable, profitable and efficient electric vehicles to accelerate the mass adaptation of EVs globally. Under this division, we are in the process of designing, developing, manufacturing, assembling, supplying and providing after-sales service for electric vehicles and components manufacturing for all ranges of electric vehicles. JEMPL has entered into a MoU with GreenPower Motor Company, INC for sales, marketing, manufacturing and service of electric vehicles for the Indian market. JEMPL is one of the technology manufacturers that is well-positioned to gain from this high growth industry trend as well as various initiatives introduced by the GoI to facilitate the growth of the electric vehicle industry in India. JEMPL has launched two variants of E-LCVs (JEM TEZ and EV STAR CC) into the market and plans to undertake end-to-end production in India and establish service facilities in key markets, in order to expand into the after-sales requirements for a seamless customer experience. The CEVs will cater mainly to the needs for the last mile delivery, tapping the major metros Mumbai, Delhi-NCR, Pune, and Bangalore initially. Enhancing its existing capabilities and expertise in the mobility solutions business, The Company also has strategic partnership for EV batteries and Xavion Mobility for vehicle design and development.
- Habitation Real Estate LLP:** Habitation Real Estate LLP (“**Habitation Real Estate**”) was incorporated on February 6, 2015. Habitation Real Estate has interest in real estate investments and presently has a prominent commercial space in Kolkata.

History and Development

Set out below are the key events in our Company’s history:

Sr. No.	Year	Particulars
1.	1979	Incorporation of our Company.
2.	1981	Started manufacturing activities at our Jabalpur Unit-I situated at plot number. 21, 22, 33 and 34 at Industrial Area, Richhai, Jabalpur, Madhya Pradesh.
3.	2009	Started manufacturing activities at Jamshedpur.
4.	2008	Started manufacturing activities at Indore.

5.	2019	Incorporation of our joint venture company, JWL-KOVIS in collaboration with Kovis D.O.O.
6.	2019	Takeover of CEBBCO by erstwhile Jupiter Wagons Limited
7.	2019	Change in the registered office of our Company from Kanpur, Uttar Pradesh to Jabalpur, Madhya Pradesh.
8.	2022	Amalgamation of erstwhile Jupiter Wagons Limited with CEBBCO.
9.	2022	Reclassification of erstwhile Promoters & Promoter Group pursuant to amalgamation of erstwhile Jupiter Wagons Limited with CEBBCO.
10.	2022	Change of name from CEBBCO to Jupiter Wagons Limited.

Details of manufacturing units and products manufactured

As on March 31, 2023, we have 6 manufacturing units the details of which, along with the products manufactured are given in the table below:

Sr. No.	Location/Sub-Location	Covered Area (square feet)	Activities (Rail mobility/ Non-Rail mobility)	Specific Products
1.	G.T. Road, Sahgunj, Chinsurah, Hoogly – 712 104, West Bengal	20,90,183.04	Rail Mobility Business	Various types of wagons, wagon and coach accessories including alloy steel castings, CRF sections and track products.
2.	Plots No. 21, 22, 33 and 34, Industrial Area, Richhai, Jabalpur – 482 010, Madhya Pradesh	1,50,100	Non Rail Mobility Business	Manufacturing of applications on commercial vehicles – Tippers, Load Boadies, Troop Carriers, Water Bowser, Containers, Light Recovery Vehicles and ISO Containers
3.	118, Village Imlai, Near Deori Railway Station, P.O. Panagar, Jabalpur – 483220	3,20,245	Rail Mobility Business	Manufacture of Rail Wagons for Indian Railways and Private Lease Operators - BOXNHL, BCACBM, BLCS, BLSS
4.	Plot Nos. 690 to 696 and 751 to 756, Industrial Area, Pithampur – III, Dhar, Indore – 454 774, Madhya Pradesh	2,03,461	Non Rail Mobility Business	Manufacture of applications on commercial vehicles, Tippers, Load Boadies, Troop Carriers, Water Tankers, Containers, ISO Containers, RSU Containers and Trailers
5.	NH12-A, Village Udaipura, Teh. Niwas, Distt. Mandla – 481661, Madhya Pradesh	1,74,809	Non Rail Mobility Business	Manufacturing of applications on commercial vehicles – Tippers, Load Boadies, Water Tankers, Tip Trailers, Box Trailers, Skeletols, Flat Bed Trailers
6.	New Khata No. 79, Plots No. 730, 731 and 742, Mouza Asangi, Adityapur Industrial Area Jamshedpur 932109, Seraikella Kharshwan, Jharkhand.	1,42,482	Non Rail Mobility Business	Manufacture of application on commercial vehicles – Tippers and Trailers

OUR STRENGTHS

Our principal competitive strengths are set forth below:

Legacy and track record in executing orders

We have been engaged in the business of designing and manufacturing of the products offered by us for over 40 years. Over these years, we have gained significant experience and have an established track record and standing in this industry with reputed OEMs in both the public and private sectors. Our 4 decades of experience, has

provided us with a strong brand presence, which we believe is a leverage in growing our business. We have a significant market share in the wagon industry and we are one of the leading suppliers of wagons and accessories for coaches to the Indian Railways.

Our successful track record in executing orders and our aggregate revenue from the wagons segment amounted to ₹1,03,901.91 lakh, ₹81,931.27 lakh, ₹80,742.79 lakh and ₹18,54.26 lakh in nine-month period ended December 31, 2022 and Fiscal 2022, 2021 and 2020, respectively. Our Company received orders in Fiscal 2022 amounting to approximately ₹2,12,924.25 lakhs for the supply of 6,145 numbers to Indian Railways.

We believe we have been able to bolster our relationship with these reputed customers and obtain a continuous flow of repeat orders from them owing to our ability to produce supplies in accordance with their specifications, standards and time-lines. Further, we seek to adapt to the varying requirements of our customers by continuously expanding our product offerings.

Strategic alliances with global partners

In order to collaborate on technology, we have engaged into strategic partnerships with businesses all around the world. We feel that through our partnerships, we have been able to advance our technical expertise and knowledge, enabling us to better position ourselves in the market by staying current with emerging technologies.

Some of our global partnerships include the following:

- (i) LAF, a CIM group company, is our technology partner for the development of a high-speed passenger train in India and for manufacturing centre buffer couplers with balanced draft gears of Linke Hofmann Busch coaches;
- (ii) Colway Ferroviaria S.L. has collaborated with us for manufacturing high-speed passenger coach interiors and modern toilet systems (for common and disabled passengers);

We have also incorporated three joint venture companies in collaboration with global partners. The details of our joint ventures are as follows:

- (i) **JWL DAKO-CZ India Limited (“JWL DAKO-CZ”)**: JWL DAKO-CZ, was incorporated on May 12, 2017 in collaborative efforts with DAKO-CZ. The objective of JWL DAKO-CZ is to design manufacture and supply brake systems for high-speed passenger coaches and freight wagons in India. While JWL DAKO-CZ is yet to commence production, some of the products manufactured by this joint venture, such as the axle-mounted disc brake system, have been approved by the Indian Railways.
- (ii) **JWL-KOVIS (India) Private Limited (“JWL-KOVIS”)**: JWL-KOVIS was incorporated on September 2, 2019 in collaboration with Kovis D.O.O. The objective of JWL-KOVIS is to manufacture, assemble and supply brake discs, axel and gear boxes, other cast and ductable iron casting and components for railway rolling stock for domestic and international markets. JWL-KOVIS has started commercial operations and some of the products manufactured by this joint venture have been approved by the Indian Railways.
- (iii) **JWL Talegria (India) Private Limited (“JWL Talegria”)**: JWL Talegria was incorporated on June 19, 2019 in collaboration with Talleres Alegra, s.a. The objective of JWL Talegria is to produce Weldable Cast Manganese Steel (WCMS) Crossings for high speed tracks.

Strong and long-lasting relationship with customers

We have strong, long-standing relationships with many of our customers. We believe we are a trusted partner and strategic supplier to, and have longstanding, extensive relationships with, leading Indian OEMs in commercial vehicles space, wagon leasing companies, auto car manufacturer, freight aggregators, shipping and container logistics companies etc. While we are a diversified product manufacturer, we believe that our strategically located manufacturing facilities, consistent performance, and adherence to quality standards has helped us maintain customer engagements and attract almost all the key manufacturing brands.

For Fiscal 2022, Fiscal 2021, Fiscal 2020 and nine-month period ended December 31, 2022 revenue from the sale of goods to our top ten customers amounted to ₹1,13,781.31 lakh, ₹98,260.05 lakh, ₹12,356.72 lakh and ₹1,30,060.87 respectively, representing 96.56%, 98.68%, 98.27% and 95.88%, respectively of our revenue from

operations for the same period respectively. We continually strive to strengthen our customer relationships through timely delivery, superior product and service quality and by ensuring that our products keep pace with the requirements of the rapidly changing industry. We have dedicated design team, thereby enabling us to develop new products for our customers and keeping track of the latest developments. To take into account the requirements of our customers, our design team regularly interacts with our product development team and our customer to focus on developing new products with improvements in quality and design.

Experienced Senior Leadership and Management

We are led by a qualified and experienced management team that has the expertise, vision and track record to manage and grow our business. Our management team has contributed to the growth of our operations and the development of in-house processes and competencies. Our management team has considerable experience in automotive components, with our Promoters having extensive technical, commercial and marketing skills. We are led by our Promoters and Management having significant experience in the wagon industry. Our Chairman, Emeritus, Shri Murari Lal Lohia has extensive leadership experience in the wagon industry. Further, our Managing Director, Vivek Lohia and our Whole-time Director, Vikash Lohia have an experience of approximately more than 15 years in the wagon industry.

Our senior management team consists of technically qualified and highly experienced professionals in the industry we operate in. Our business domains are managed by management teams who have extensive experience in the industry. This enables each domain to focus exclusively on the opportunities and challenges that it faces. Our senior management team is responsible for the overall strategic planning and business development of our Company and has been instrumental in the consistent growth in our revenues and operations. The vision and foresight of our management enables us to explore and seize new opportunities to capitalize on the growth opportunities in the industry.

OUR STRATEGIES

Continue to focus on increasing our market share and expand our portfolio of products

We intend to continue focussing on increasing our capacity and performance in order to increase our market share in both Indian Railways and the private sector requirement by leveraging on our strengths and providing complete customer satisfaction. We are also focusing on introducing segment specific special purpose wagons to cater to niche segments such as internationally proven wagons for Indian Railways, intelligent wagon bogies to enable health monitoring and maintenance control, advance brake systems, track solution etc.

In order to diversify our product portfolio, our Company has ventured into setting up of joint venture companies in the fields of safety systems (High Speed Brake Systems for passenger and freight), high speed track components (Weldable CMS Crossing) and electric powered freight trucks by way of bringing in global technologies to India aligned with the Aatmanirbhar Bharat and Make in India programmes. In this perspective of mobility, the national government has already instituted its plans and schemes under National Rail Plan, Mission '3000 Million Tons' in rail freighting and GATI SHAKTI programme covering the completion of the freight corridors project, Vande Bharat Express, Tejas Express, Vista Dome Coaches, 'Super Vasuki' long haul freight trains, High Capacity & High Speed Wagons, Kisan Rail, Solar Powered Passenger Coaches, new Signalling System etc., to bring about a sea changes in human comforts and expectations throughout the country.

Further, we aim to expand into the development of electric commercial vehicles under our brand. With the launch of 'Jupiter Electric Mobility', we recently entered the electric mobility market, focusing on commercial EV. We have partnered with EA GreenPower Private Limited, a wholly owned subsidiary of GreenPower Motor Company Inc. JEMPL has launched two variants of E-LCVs (JEM TEZ and EV STAR CC) into the market and plans to undertake end-to-end production in India and establish service facilities in key markets, in order to expand into the after-sales requirements for a seamless customer experience. With the introduction of 'Jupiter Electric Mobility,' we propose to make a significant contribution to vehicle electrification by reducing dependence on fossil fuels as the source of energy and simultaneously reducing the carbon foot-prints in urban/upcountry regions and improving upon conservation of environment.

Selectively pursue strategic external growth opportunities

We believe that strategic investments and acquisitions of businesses in the wagon and commercial vehicle body building industry may act as an enabler for growing our businesses. We intend to selectively pursue opportunities

that will consolidate our market position as an integrated wagon and commercial vehicle component manufacturer and enhance our financial position, expand our existing product portfolio and increase our sales, marketing and distribution network, customers and geographical reach and help us in technological advancements. These opportunities could be by way of strategic acquisitions, joint ventures, technical collaborations, new partner tie-ups and asset purchases. Our efforts at diversifying into newer segments of our existing business or into new domestic or international markets may be facilitated by investing in similar business opportunities or making acquisitions of existing brands or businesses with manufacturing units, market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our existing business. We have in the past, grown our business and operations through organic routes.

While this would be a component of our strategy, we, presently do not have any legally binding commitments to enter into any such investments or acquisitions. We intend on identifying and pursuing such opportunities, which will allow us to expand our product portfolio, increase our manufacturing capacity and increase the visibility of our products, thus increasing our market share and creating value for our shareholders. In pursuance of the same, we may use the proceeds of the Issue for business purposes, including but not limited to, undertaking capital expenditure, general corporate purposes and expansion of our business through inorganic growth. For further details, see “*Use of Proceeds*” section starting on page 74.

Continue to focus on cost efficiencies, improve operational efficiency and profitability

As an integral part of our continuing efforts targeted at ensuring cost efficiencies, we have undertaken a number of initiatives aimed at improving operational efficiencies and optimizing our manufacturing operations including reduction in lead-time in manufacturing processes, leveraging our sourcing networks to control raw material costs through bulk purchases, improving inventory management to optimize transportation costs and expedite raw materials procurement and product delivery, and controlling consumption and wastage through effective supervision of manufacturing processes. We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our international presence and economies of scale as well as by targeting savings in our administrative, procurement and production processes.

We intend to focus on adopting strategies to establish a standardised platform across our business units for our processes, hardware and software infrastructure and workforce, and have centralized marketing and raw material procurement teams. We intend to continue to focus on the vertical integration of our operations, which we believe will enable us to further streamline our production processes, achieve shorter development and delivery lead times, exercise significant control over key inputs and processes, enhance quality control and increase supply security. We also intend to enhance our research and development, and design capabilities which provide us with a competitive advantage with respect to quality, product development and cost, as well as to continuously explore sustainable cost improvement initiatives for our operations. In addition, we continue to introduce advanced technologies in order to improve operational efficiencies and work processes in our operations.

Further, we also aim to continue to improve profitability by constant cost rationalization, backward integration, improving product mix by enhancing contribution of machined products, increasing capacity utilization and increasing exports. We also constantly aim to identify opportunities to implement product improvements and dedicate research and development resources to optimize production processes.

To enter into the growing coach business

Our portfolio is unique, and our production capabilities are integrated to the best possible ways at both the ends. In order to work further on this strategy, we aim to enter into the growing coach business. The Government of India’s attention to the railway industry, namely with reference to metro rail projects, the illustrious Vande Bharat express and unveiling of bullet trains, has opened a new segment of manufacturing towards companies operating in this industry.

We aim to capture a sufficient market-share in this segment, with the advantage of our legacy and familiarity in supplying to the railway sector. Furthermore, the Government floats tenders, the bidding of which is decided based on factors such as quality and cost-effectiveness. Our strategy of continuing to focus on cost effectiveness provides an advantage in procuring these tenders.

Recent Development

Launch of commercial electric vehicles by Jupiter Electric Mobility at the Auto Expo 2023

We recently entered the electric mobility sector through our subsidiary, “Jupiter Electric Mobility”, concentrating on commercial EV. Through JEM, we unveiled the e-LCVs – JEM TEZ of 2.2 and EV STAR CC of 7 Ton GVW at the Auto Expo 2023 and forayed into the commercial electric vehicle segment. The strategic alliances and partnerships with key foreign and domestic companies that have expertise in the EV sector have further added strength to the brand and its goal is to become the market leader in the CEV segment in India.

JEM has launched two variants of E-LCVs into the market and aims to undertake end-to-end production in India and establish service facilities in key markets, in order to expand into the aftersales requirements for a seamless customer experience. The CEVs will cater mainly to the needs for the last mile delivery, tapping the major metros Mumbai, Delhi-NCR, Pune, and Bangalore initially.

Proposed acquisition of Stone India Limited

In pursuit of our strategy of growth, we seek opportunities to acquire brands, businesses and assets which complements our product offerings, strengthen or establish our presence and provide synergy to our existing businesses and operations. We have been declared as the successful resolution applicant for the acquisition of Stone India Limited pursuant to its insolvency resolution process vide the voting results of committee of creditors for which the e-voting concluded on October 13, 2022 and the letter of intent dated October 14, 2022 issued by the Insolvency Professional. As per the resolution plan submitted by us, our Company is required to pay ₹2,061.00 lakhs as a resolution plan amount within a period of ninety days from the effective date and required to infuse ₹2,500.00 lakhs for business development of Stone India Limited within a period of one year from the effective date.

The business of Stone India Limited is in the brake systems and train lighting alternators segment and it has been a vendor for locomotive brake system for the rail road industry. It is engaged in the manufacture and supply of electrical and mechanical engineering equipment applicable to rolling stock of railway, EG coaches, wagons, locomotive, air brakes, blocks and electrical mechanical and electronic equipment, platform screen door system, MRL elevator, moving walkways and escalators, which would enable our Company to expand its product portfolio.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Board of Directors

In accordance with our Articles of Association, read with applicable provisions of the Companies Act, our Company is authorised to have a minimum of three (03) Directors and a maximum of fifteen (15) Directors. As on date of this Placement Document, our Board consists of nine Directors including one Managing Director, three Whole-time Directors and five Independent Directors (including one woman Independent Directors).

Our Board composition is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board, as of the date of this Placement Document:

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Vivek Lohia Address: 15 A, Mandeville Gardens, Ballygunge, Kolkata -700019, West Bengal. Occupation: Business Term: For a period of five years with effect from May 30, 2022 Nationality: Indian DIN: 00574035	49	Managing Director
Vikash Lohia Address: 15 A, Mandeville Gardens, Ballygunge, Kolkata -700019, West Bengal. Occupation: Business Term: For a period of five years with effect from May 30, 2022 (liable to retire by rotation) Nationality: Indian DIN: 00572725	47	Whole-time Director
Abhishek Jaiswal Address: Duplex No.6, ward number -79, behind Microwave Colony, South Civil Line, Pachpedi, Jalabpur-482001, Madhya Pradesh Occupation: Service Term: For a period of five years with effect from October 14, 2022 (liable to retire by rotation) Nationality: Indian DIN: 07936627	53	Whole-time Director and Chief Executive Officer
Asim Ranjan Dasgupta	80	Whole-Time Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
<p>Address: Block B, Flat 11, Omkar Apartments, 113A/4, Sarat Ghosh, Garden Road, Kamala Park, Dhakuria-700031, West Bengal</p> <p>Occupation: Retired from Government Services</p> <p>Term: For a period of five years with effect from May 30, 2022 (liable to retire by rotation)</p> <p>Nationality: Indian</p> <p>DIN: 02284092</p>		
<p>Madhuchhanda Chatterjee</p> <p>Address-AH 244, Sector 2, Salt Lake City, Bidhannagar (M), Sech Bhawan, North, 24 Parganas, Kolkata-700091, West Bengal.</p> <p>Occupation: Self-employed</p> <p>Term: For a period of five years with effect from May 30, 2022</p> <p>Nationality: Indian</p> <p>DIN: 02510507</p>	70	Independent Director
<p>Avinash Gupta</p> <p>Address: 2A-54A, 5th Floor, Plot-444, 2 Jaldarshan Building, Laxmibai Jagmohandas Marg, Napean Sea Road, August Kranti Marg, Mumbai- 400036</p> <p>Occupation: Service</p> <p>Term: For a period of five years with effect from May 30, 2022</p> <p>Nationality: British</p> <p>DIN: 02783217</p>	57	Independent Director
<p>Ganesan Raghuram</p> <p>Address: Directors Residence, Indian Institute of Management, Bangalore Campus, IIMB Bilekahali, Bangalore -560076, Karnataka</p> <p>Occupation: Retired Professor</p> <p>Term: For a period of five years with effect from May 19, 2020</p>	67	Independent Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Nationality: Indian		
DIN: 01099026		
Prakash Yashwant Gurav	69	Independent Director
Address: Mrutanjay Apartments, 3 rd Floor, 54 Ideal Colony, Kothrud, Pune-411029, Maharashtra.		
Occupation: Professional		
Term: For a period of five years with effect from July 15, 2019		
Nationality: Indian		
DIN: 02004317		
Manchi Venkatraja Rao	75	Independent Director
Address: H-601, Rohan Nilay Phase-1, Near Bremen Chowk, Aundh Pune 411007, Maharashtra.		
Occupation: Professional		
Term: For a period of five years with effect from July 15, 2019		
Nationality: Indian		
DIN: 00110363		

Relationship with other Directors

Except as disclosed below, none of our Directors are related to each other.

Name of the Director	Nature of Relationship
Vivek Lohia and Vikash Lohia	Brothers

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%)
Vivek Lohia	77,96,540	2.01
Vikash Lohia	1,14,26,473	2.95
Total	1,92,23,013	4.96

Borrowing powers of the Board

Pursuant to the special resolution dated December 24, 2018 by the way Extra Ordinary General Meeting of erstwhile Jupiter Wagons Limited passed by the Shareholders, Board has been authorised to borrow, from time

to time, such sum or sums of monies as the Board may deem requisite for the purpose of the business of the Company which together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate paid up capital of the Company and its free reserves, provided that the aggregate amount so borrowed at any point of time shall not exceed ₹50,000 Lakhs (Rupees Fifty Thousand Lakhs only) together with the interest, additional interest, compound interest, liquidated damages, all other cost, charges, expenses, including any increase as a result of devaluation/ revaluation/fluctuation in the rate of foreign exchange and all other monies payable by the Company.

Pursuant to the special resolution dated September 11, 2015 by the way of Annual General meeting of our Company, Board has been authorised borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid up Share Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time and shall not exceed the sum of ₹ 35,000 lakhs (Rupees Thirty Five Thousand Lakhs only).

Pursuant to the Scheme of amalgamation* of erstwhile Jupiter Wagons Limited and our Company approved by National Company Law Tribunal-Indore vide order dated May 13, 2022 and National Company Law Tribunal-Kolkata vide order dated Feb 28, 2022, the current borrowing power of our Company is 85,000 lakhs (Rupees Eighty-Five Thousand Lakhs only).

** In furtherance to Clause T of part III of the scheme of amalgamation, benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company i.e. Jupiter Wagons Limited, whether being in the nature of compliances or otherwise, including without limitation approvals under sections 42, 62(1) (a), 180, 185, 186, 188 etc., of the Companies Act, read with the rules and regulations made thereunder, shall stand transferred to the Amalgamated Company i.e. Commercial Engineers and Body Builders Co. Limited and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Amalgamated Company, it is being clarified that if any such resolutions have any monetary limits approved subject to the provisions of this Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Amalgamated Company, shall be added to the limits, if any, under the like resolutions passed by the Amalgamated Company.*

Interests of our Directors

Our executive Director may be deemed to be interested to the extent of their shareholding and remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see “- Terms of appointment and remuneration of Executive Directors” and “- Remuneration of Non-executive and Independent Directors” on page 148.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and Subsidiaries, if any, details of which have been disclosed below under the heading “Shareholding of Directors in our Company” on page 148. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Except as stated in the section “Related Party Transactions” on page 45, our Directors do not have any other interest in the business of our Company.

Except for Vivek Lohia and Vikash Lohia who are the Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Placement Document, except in the ordinary course of business.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, except as

disclosed in “*Related Party Transactions*” on page 45, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on the date of this Placement Document, the Directors have not taken any loans from our Company.

Except as stated in “*Financial Information*” beginning on page 207, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Placement Document or in any transaction by our Company for acquisition of land, construction of buildings and supply of machinery.

Terms of appointment and remuneration of Executive Directors

Vivek Lohia

Vivek Lohia has been appointed as the Managing Director of our Company for 5 years with effect from May 30, 2022 pursuant to a resolution passed by our Board on May 30, 2022 and our Shareholders on August 30, 2022. Further, the terms and conditions of his appointment as the Managing Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹20,00,000 per month (net taxes) * subject to increase not exceeding 25% every year with effect from April 1, 2023 subject to recommendations of the Nomination and Remuneration Committee. <i>*Since the basic salary will be net of taxes, hence, the tax component on actual basis shall be paid by the Company and accordingly it shall also be considered as perquisite subject to the maximum limit of 30% of the basic salary.</i>
Other perquisites	Company shall reimburse the expense incurred up to a maximum limit of 10 % of the basic salary towards gas, electricity, water, furnishing, house maintenance etc. and the same shall be treated as perquisites. The perquisites shall be payable with effect from May 30, 2022 and it shall be over and above the basic salary. The aforesaid perquisites shall be valued as per the provisions of the Income Tax Act and Rules thereunder, wherever applicable and in absence of such provision, perquisites shall be valued at actual cost.

Vikash Lohia

Vikash Lohia has been appointed as the Whole-Time Director of our Company for 5 years with effect from May 30, 2022 pursuant to a resolution passed by our Board on May 30, 2022 and our Shareholders on August 30, 2022. Further, the terms and conditions of his appointment as the Whole-Time Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹10,00,000 per month (net taxes) * subject to increase not exceeding 25% every year with effect from April 1, 2023 subject to recommendations of the Nomination and Remuneration Committee. <i>*Since the basic salary will be net of taxes, hence, the tax component on actual basis shall be paid by the Company and accordingly it shall also be considered as perquisite subject to the maximum limit of 30% of the basic salary.</i>
Other perquisites	Company shall reimburse the expense incurred up to a maximum limit of 10 % of the basic salary towards gas, electricity, water, furnishing, house maintenance etc. and the same shall be treated as perquisites. The perquisites shall be payable with effect from May 30, 2022 and it shall be over and above the basic salary. The aforesaid perquisites shall be valued as per the provisions of the Income Tax Act and Rules thereunder, wherever applicable and in absence of such provision, perquisites shall be valued at actual cost.

Abhishek Jaiswal

Abhishek Jiaswal has been appointed as the Whole Time Director and Chief Executive Officer of our Company for five years with effect from October 14, 2022, pursuant to a resolution passed by our Board on August 30, 2022 and our Shareholders on September 28, 2022. Further, the terms and conditions of his re-appointment as the Whole Time Director and Chief Executive Officer are set forth below:

Particulars	Details
Salary	Basic salary of ₹3,59,328 per month and thereafter an increase not exceeding 25% every year subject to the recommendation of the Nomination and Remuneration Committee and Board of Directors.
Other perquisites	No other perquisites granted

Asim Ranjan Dasgupta

Asim Ranjan Dasgupta has been appointed as the Whole -Time Director of our Company for five years with effect from May 30, 2022, pursuant to a resolution passed by our Board on May 30, 2022 and our Shareholders on August 30, 2022. Further, the terms and conditions of his appointment as the Whole Time Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹1, 07,582 /-per month and thereafter an increase not exceeding 25% every year with effect from April 1, 2023 subject to the recommendation of the Nomination and Remuneration Committee and Board of Directors
Other perquisites	No other perquisites granted

The following table set forth the compensation paid by our Company to the Executive Director during Fiscals 2022, 2022, 2021 and the nine-month period upto December 31, 2022:

(₹ in lakhs)

Name of the Director	Remuneration			
	For the period from April 1, 2022 till December 31, 2022	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Vivek Lohia*	275.23	367.18	240.00	Nil
Vikash Lohia**	109.58	122.11	84.00	Nil
Abhishek Jaiswal	42.16	54.93	42.41	37.38
Asim Ranjan Dasgupta**	9.68	12.04	10.51	Nil
Samir Kumar Gupta***	6.00	7.46	6.60	Nil

*Appointed as a director with effect from March 25, 2021.

**Appointed as a director with effect from May 30, 2022.

*** Appointed as a director with from May 30, 2022 and ceased to be director from April 9, 2023.

Remuneration of Non-executive and Independent Directors

Pursuant to the policy “*Terms of Appointment of Non-Executive Directors*” approved vide resolution dated February 13, 2021 by our Board of Directors, our Non – executive, Independent Directors are entitled to sitting fees of ₹20,000 for attending each meeting of our Board and sitting fees of ₹15,000 per meeting for attending each meeting of the committees of our Board. Additionally, our Independent Directors are also entitled to reimbursement of fair and reasonable expenditure uncured while performing the role as an Independent Director.

The following table sets forth the sitting fees paid by our Company to our existing Non-Executive Directors during Fiscals 2022, 2022, 2021 and the nine-month period upto March 31, 2022:

(₹ in lakhs)

Name of the Director	Remuneration			
	For the period from April 1, 2022 till December 31, 2022	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Madhuchhanda Chatterjee#	2.45	1.20	1.40	Nil
Avinash Gupta##	1.40	Nil	Nil	Nil
Ganesan Raghuram###	2.00	1.00	2.00	Nil
Prakash Yashwant Gurav	3.35	2.40	3.70	2.25
Manchi Venkatraja Rao	3.35	2.40	3.70	2.25
Vineeta Shriwani	3.35	2.25	2.70	1.60

Appointed as a director with effect from May 22, 2019.

Appointed as Independent Director with effect from May 30, 2022, therefore, no remuneration was paid in Fiscal 2022, and Fiscal 2021.

Appointed as a director with effect from May 19, 2020.

Corporate Governance

As on the date of this Placement Document, we have nine Directors on our Board, which comprises one Managing Director, three Whole-time Directors, and five Independent Directors (including a woman Independent Directors). Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the SEBI Listing Regulations.

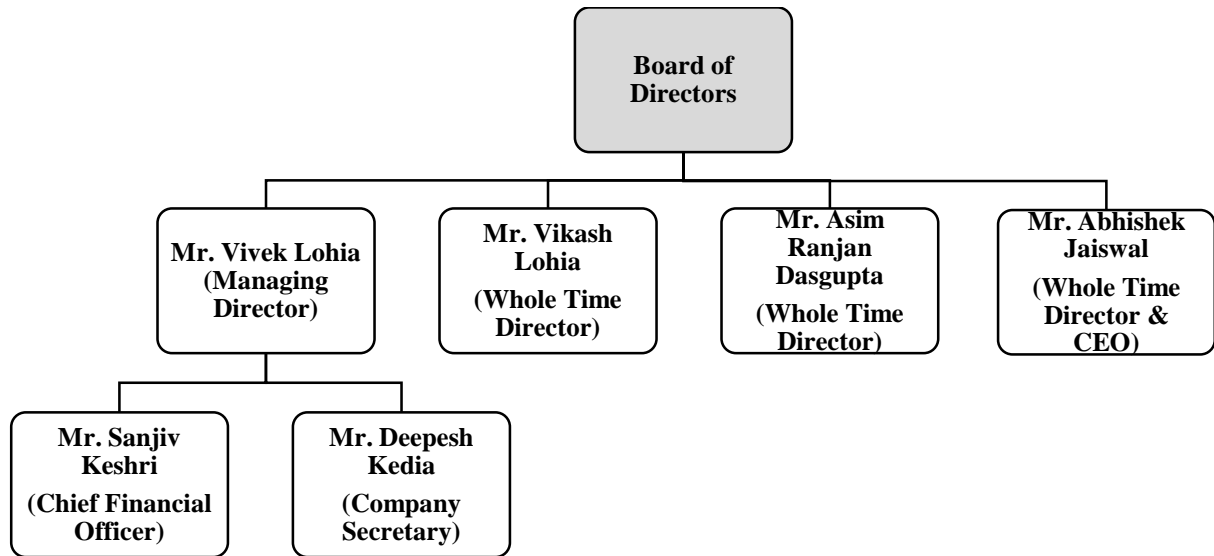
Committees of the Board of Directors

Our Company has constituted the following seven committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Name of the Committee	Members
Audit Committee	Prakash Yashwant Gurav (Chairman) Manchi Venkatraja Rao (Member) Abhishek Jaiswal (Member) Ganesan Raghuram (Member)
Nomination and Remuneration Committee	Manchi Venkatraja Rao (Chairman) Prakash Yashwant Gurav (Member) Ganesan Raghuram (Member)
Stakeholders' Relationship Committee	Manchi Venkatraja Rao (Chairman) Prakash Yashwant Gurav (Member) Abhishek Jaiswal (Member)
Corporate Social Responsibility Committee	Manchi Venkatraja Rao (Chairman) Prakash Yashwant Gurav (Member) Abhishek Jaiswal (Member)
Risk Management Committee	Prakash Yashwant Gurav (Chairman) Abhishek Jaiswal (Member) Ganesan Raghuram (Member)
Credit Committee	Madhuchhanda Chatterjee (Chairman) Vikash Lohia (Member) Asim Ranjan Das Gupta (Member)
QIP Committee	Madhuchhanda Chatterjee (Chairman) Vikash Lohia (Member) Abhishek Jaiswal (Member)

Management Organization Structure



Senior Management

The following table sets forth the details of our senior management, including our Key Managerial Personnel (“**Senior Management**”), other than our Managing Director, Vivek Lohia and our Chief Executive Officer, Abhishek Jaiswal:

Name	Designation
Sanjiv Keshri	Chief Financial Officer
Deepesh Kedia	Company Secretary and Compliance Officer

Shareholding of Key Managerial Personnel

Other than as set forth in “- *Shareholding of Directors in our Company*”, and as disclosed below, none of our Key Managerial Personnel hold any Equity Shares in our Company, as on the date of this Placement Document:

Name of the Key Management Personnel	Number of Equity Shares	Percentage (%)
Sanjiv Keshri	1,000	Negligible

Relationship between Senior Management

In addition to the relationship between Vivek Lohia and Vikash Lohia as disclosed above in “- *Relationship with other Directors*”, none of the Senior Management Personnel are related to each other.

Interest of Senior Management

Except as stated in “*Interest of our Directors*” above and in “*Related Party Transactions*” on pages 148 and 45 respectively, and to the extent of the remuneration or benefits to which they are entitled to as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them in our Company, and any dividend payable to them and other distributions in respect of such shareholding, our Senior Management Personnel does not have any other interest in our Company. Our Company does not have any bonus or profit-sharing plan with its Directors or Key Management Personnel.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons.

Our Company is in compliance with the same and has implemented a code of conduct for regulating, monitoring and reporting of trades and prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

The abovementioned code is uploaded on the website of the Company at the link <https://www.jupiterwagons.com/wp-content/uploads/2022/09/05-Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Insider.pdf>.

Other confirmations

None of our Promoters or Directors or Senior Management Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor our Promoters nor our Directors have been identified as Wilful Defaulters or Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, nor our Promoters or the companies with which our Promoters are or have been associated with a promoter or a person in control have been debarred from accessing capital markets

under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters or Key Managerial Personnel of our Company intends to subscribe to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on date of March 31, 2023 is as follows:

Summary statement of holding of Equity Shares as at March 31, 2023:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	14	28,91,14,536	28,91,14,536	74.62	28,91,14,536	74.62	28,91,14,536
(B) Public	29,764	9,83,32,883	9,83,32,883	25.38	9,83,32,883	25.38	9,83,32,476
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust						0.00	
(C) Non Promoter-Non Public				0.00		0.00	
Grand Total	29,778	38,74,47,419	38,74,47,419	100.00	38,74,47,419	100.00	38,74,47,012

Shareholding pattern of the Promoter and members of the promoter group of the Company as on March 31, 2023:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
A1) Indian								
Individuals/Hindu undivided family		8	4,59,11,014	4,59,11,014	11.85	4,59,11,014	4,59,11,014	4,59,11,014
Murali Lal Lohia	Promoter	1	1,52,43,185	1,52,43,185	3.93	1,52,43,185	1,52,43,185	1,52,43,185
Murali Lal Lohia HUF	Promoter	1	73,05,814	73,05,814	1.89	73,05,814	73,05,814	73,05,814
Usha Lohia	Promoter	1	19,12,135	19,12,135	0.49	19,12,135	19,12,135	19,12,135
Vivek Lohia	Promoter	1	77,96,540	77,96,540	2.01	77,96,540	77,96,540	77,96,540
Ritu Lohia	Promoter	1	14,43,345	14,43,345	0.37	14,43,345	14,43,345	14,43,345
Vikash Lohia	Promoter	1	1,14,26,473	1,14,26,473	2.95	1,14,26,473	1,14,26,473	1,14,26,473
Samir Kumar Gupta*	Promoter	1	55,100	55,100	0.01	55,100	55,100	55,100
Shradha Lohia	Promoter	1	7,28,422	7,28,422	0.19	7,28,422	7,28,422	7,28,422
Any Other (specify)		5	16,38,57,793	16,38,57,793	42.29	16,38,57,793	16,38,57,793	16,38,57,793
Jupiter Forgings & Steel Private Limited	Promoter	1	1,49,53,129	1,49,53,129	3.86	1,49,53,129	1,49,53,129	1,49,53,129
Karisma Goods Private Limited	Promoter	1	8,95,81,249	8,95,81,249	23.12	8,95,81,249	8,95,81,249	8,95,81,249
Anish Consultants & Credits Private Limited	Promoter	1	1,53,61,880	1,53,61,880	3.96	1,53,61,880	1,53,61,880	1,53,61,880
Jupiter Metal Spring Private Limited	Promoter	1	4,33,96,760	4,33,96,760	11.20	4,33,96,760	4,33,96,760	4,33,96,760
Riddles Marketing Private Limited	Promoter	1	5,64,775	5,64,775	0.15	5,64,775	5,64,775	5,64,775
Sub Total A1		13	20,97,68,807	20,97,68,807	54.14	20,97,68,907	20,97,68,907	20,97,68,807
A2) Foreign					0.00			
Any Other (specify)		1	7,93,45,729	7,93,45,729	20.48	7,93,45,729	7,93,45,729	7,93,45,729
Tatravagonka a.s.	Promoter	1	7,93,45,729	7,93,45,729	20.48	7,93,45,729	7,93,45,729	7,93,45,729

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
Sub Total A2		1	7,93,45,729	7,93,45,729	20.48	7,93,45,729	7,93,45,729	7,93,45,729
A=A1+A2		14	28,91,14,536	28,91,14,536	74.62	28,91,14,536	28,91,14,536	28,91,14,536

*Late Samir Kumar Gupta was holding 55,100 Equity Shares, ceased to be a promoter of the Company w.e.f April 09, 2023.

Statement showing shareholding pattern of the public shareholder

Category and name of the Shareholder	No. of shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
B1) Institutions Domestic)	0	0		0.00		0.00	
Banks	1	57,76,600	57,76,600	1.49	57,76,600	1.49	57,76,600
Axis Bank Limited	1	57,76,600	57,76,600	1.49	57,76,600	1.49	57,76,600
Sub Total B1	1	57,76,600	57,76,600	1.49	57,76,600	1.49	57,76,600
B2) Institutions Foreign	0	0		0.00		0.00	
Foreign Portfolio Investors Category I & II	2	24,290	24,290	0.01	24,290	0.01	24,290
Sub Total B2	2	24,290	24,290	0.01	24,290	0.01	24,290
B3) Central Government / State Government(s) / President of India	0	0		0.00		0.00	
B4) Non-Institutions	0	0		0.00		0.00	

Category and name of the Shareholder	No. of shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
Key Managerial Personnel	1	1,000	1,000	0.00	1,000	0	1,000
Resident Individuals holding nominal share capital up to ₹2 lakhs	28364	1,46,20,199	1,46,20,199	3.77	1,46,20,199	3.77	1,46,19,792
Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	145	85,52,651	85,52,651	2.21	85,52,651	2.21	85,52,651
Non Resident Indians (NRIs)	420	7,48,221	7,48,221	0.19	7,48,221	0.19	7,48,221
Foreign Companies	6	6,31,18,097	6,31,18,097	16.29	6,31,18,097	16.29	6,31,18,097
Gothic HSP Corporation	1	57,98,008	57,98,008	1.50	57,98,008	1.50	57,98,008
Atyant Capital India Fund-I	1	1,48,33,306	1,48,33,306	3.83	1,48,33,306	3.83	1,48,33,306
Gothic Corporation	1	1,64,41,344	1,64,41,344	4.24	1,64,41,344	4.24	1,64,41,344
The Duke Endowment	1	59,67,771	59,67,771	1.54	59,67,771	1.54	59,67,771
Vanderbilt University	1	1,66,31,604	1,66,31,604	4.29	1,66,31,604	4.29	1,66,31,604
Bodies Corporate	166	33,96,460	33,96,460	0.88	33,96,460	0.88	33,96,460
Any Other (specify)	659	20,95,365	20,95,365	0.54	20,95,365	0.54	20,95,365
HUF	639	20,57,389	20,57,389	0.53	20,57,389	0.53	20,57,389

Category and name of the Shareholder	No. of shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
Clearing Members	20	37,976	37,976	0.01	37,976	0.01	37,976
Sub Total B4	29761	9,25,31,993	9,25,31,993	23.88	9,25,31,993	23.88	9,25,31,993
	29764	9,83,32,883	9,83,32,883	25.38	9,83,32,883	25.38	9,83,32,476

Shareholding pattern of the non-Promoter – non-public shareholder of the Company as on March 31, 2023:

Category and name of the shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0		0.00	
C2) Employee Benefit Trust	0	0		0.00	

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on March 31, 2023.

S. No.	Name of the Trading Member	Name of the beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have apprised themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Bidders that apply in the issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officer, agents affiliate and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see “Selling Restrictions” and “Transfer Restrictions” beginning on page 181 and 185 respectively.

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the abovementioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Placement Document;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act, 2013;
- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;
- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.
- In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and
- the promoter and directors of the issuer are not Fugitive Economic Offenders

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of 4.92% of the floor price was offered in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated December 17, 2022 and our Shareholders by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023, have authorised our Board to decide the quantum of discount up to 5 % of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of Application Amount from the successful Eligible QIBs. For details of Allotment, see "**Pricing and Allocation – Designated Date and Allotment of Equity Shares**" below.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private

documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Placement Document addressed to you, you may not rely on Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakh; and
- five, where the issue size is greater than ₹25,000 lakh.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “*Application Form – Bid Process*” on beginning page 171.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

The Issue has been authorised and approved by our Board on Decemeber 17, 2022 and our Shareholders through a special resolution by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 181 and 185, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold. And Bids may not be made by persons in any such jurisdictions, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company in consultation with the BRLM shall circulate serially numbered copies of this Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Placement Document

and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act, 2013.

2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the BRLM. **Unless a serially numbered Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law.
3. Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.
4. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.
5. Bidders will be required to indicate the following in the Application Form:
 - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;
 - number of Equity Shares Bid for;
 - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
 - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;
 - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;
 - equity shares held by the Bidder in our Company prior to the Issue; and
 - a representation that it is outside the United States acquiring the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Placement Document and in the Application Form.

***NOTE:** Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual*

Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

6. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “*Jupiter Wagons Limited - QIP Escrow Account*” with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– *Refunds*” on page 176.
7. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
8. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
9. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
10. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed

to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
12. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
13. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.
14. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
15. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
16. Our Company will then apply for the final trading approvals from the Stock Exchanges.
17. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
18. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions; (which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions; as defined under Section 2(72) of the Companies Act
- scheduled commercial banks;

- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total post- Issue paid-up Equity Share capital of our Company on a fully diluted basis. Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The existing aggregate investment limit for FPIs in the Company is 100% of the paid up capital of the Company.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply.

Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document and the Placement Document. By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under “*Notice to Investors*”, “*Representations by Investors*” and “*Selling Restrictions*” beginning on pages 1, 4 and 181, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);
3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);
4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;
6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;
7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;
8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;
9. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;
10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as "*proposed Allotees*" and percentage of post-Issue shareholding of the proposed Allotees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allotees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;
12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as "*proposed Allotees*" and percentage of post-Issue shareholding of the proposed Allotees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allotees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

- a. QIBs “*belonging to the same group*” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and
 - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
13. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.
 14. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.
 15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.
 16. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an “offshore transaction” under Regulation S and is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANTS IDENTIFICATION NUMBER AND ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM, ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRE BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding

contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Email	Telephone
Systematix Corporate Services Limited	The Capital, A-Wing No. 603-606 6th Floor, Plot No. C-70, G-Block BKC, Bandra (East), Mumbai- 400 051, Maharashtra, India	Jinal Sanghvi	projectmobility@systematixgroup.in	+91 22 6704 8000

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of “*Jupiter Wagons Limited QIP Escrow Account*” with Amount only through electronic transfer of funds from their own bank account the Escrow Agent, in terms of the Escrow Agreement entered among our Company, the Book Running Lead Manager and the Escrow Agent. Each Bidder will be required to deposit the Application Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Application.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in “*Jupiter Wagons Limited QIP Escrow Account*” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount in terms of this Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 176.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, ‘*stock exchange*’ shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding

the Relevant Date. However, our Company offered a discount of 4.92% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The “Relevant Date” referred to above will be the date of the meeting in which the Board or the committee thereof decides to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company offered a discount of 4.92% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our shareholders pursuant to special resolution by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price. In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders’ account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue. By submitting the Application Form, a Bidder would have deemed to have made the representations and warranties as specified in “*Notice to Investors*” on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer of securities in listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.
5. Following the credit of Equity Shares into the respective Allottees’ beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.
6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act, 2013.
7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Bidder has deposited the Application Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Issue Procedure*" – "*Refund*" on page 176.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the

Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges. Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Book Running Lead Manager has entered into the Placement Agreement dated May 10, 2023 with our Company, pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable effort's basis.

The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 181 and 185, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" beginning on page 10.

From time to time, the Book Running Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock up

Under the Placement Agreement, our Company has undertaken that it will not, for a period commencing from the date hereof and ending 60 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:

- a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or

exchangeable for Equity Share (including, without limitation, securities convertible into or exercisable for Equity Shares which may be deemed to be beneficially owned);

- b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; or
- c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility;
- d) publicly announce any intention to enter into any transaction described in (a) to (bc above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restrictions shall not apply to any sale, transfer or disposition or issue of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to any transaction required by law or an order of a court of law or a statutory authority.

Promoter's Lock-up

Our Promoters excluding Tatravagonka A.S. agree that without the prior written consent of the Book Running Lead Manager, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date of the Placement Document and ending 60 days from the date of the filing of the Placement Document (both dates inclusive) (“**Lock-up Period**”) directly or indirectly: (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares or any other securities of our Company substantially similar to the Equity Shares acquired or purchased during the Lock-Up Period, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired; (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (1) or (2) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise, (3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in any depository receipt facility, or (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

Nothing would restrict the inter-se transfer of any Equity Shares between the Promoters and members of the Promoter Group, provided that the lock-up shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the Lock-up Period set out herein has expired; and the bona fide pledge of lock-up Equity Shares, as collateral for loans as per the normal commercial terms entered into, in the ordinary course of business of the Company, where any arrangement for any such encumbrance as collateral is undertaken with the prior written approval of the Book Running Lead Manager.

In addition, the Promoters shall not, without the prior written consent of the Book Running Lead Manager, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, hereinafter acquired.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act, 2013. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors" and "Representations by Investors" on pages 1 and 4, respectively.

General

No action has been taken or will be taken by our Company or the BRLM that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made only to Eligible QIBs through a QIP, in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The offering of Equity Shares pursuant to this Placement Document by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public at large about this Issue is prohibited.

European Economic Area

In relation to each member state of the European Economic Area (each, a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares that has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager and the Syndicate Members for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require our Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made

will be deemed to have represented, acknowledged and agreed to and with each of the Underwriters and our Company that it is a “qualified investor” within the meaning of the law in that Member State implementing Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase Equity Shares and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “Financial Instruments and Exchange Act” or the “FIEA”). No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“Japanese Resident”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “Qualified Institutional Investor”), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article

23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the “QII Equity Shares”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Singapore

The Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Equity Shares will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Preliminary Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- c) securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:
- d) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- e) where no consideration is or will be given for the transfer
- f) where the transfer is by operation of law
- g) as specified in Section 267(7) of the SFA; or
- h) As specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

United Kingdom

The communication of this Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters

relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”) or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (“EUWA”);

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the Underwriters; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require our Company or any Underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression “an offer of Notes to the public” in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see “*Representations by Investors*” and “*Transfer Restrictions*” on pages 4 and 185, respectively of this Placement Document.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 181.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of the Company or the BRLMs and their respective affiliates shall have any responsibility in this regard..
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S) , and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- The Equity Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S.
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and

in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SECC Regulations**”), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on-market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (“**BOLT**”) facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothing settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company’s shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“**UPSI**”).

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹47,685.00 lakh divided into 47,68,50,000 Equity Shares of ₹10 each. Our Company's issued and subscribed Capital is ₹38,744.74 lakh divided into 38,74,47,419 Equity Shares of face value of ₹10 each. For further details, see "**Capital Structure**" beginning on page 79.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year after providing depreciation, calculated in accordance with the provisions of the , 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per its most recent audited financial statements; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of the company's paid up share capital as per its most recent audited financial statements.

These dividends are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the date of its declaration.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their shareholding. The dividend shall not exceed the amount recommended by our Board. Further, our Board may from time to time pay the members interim dividend as may appear to them to be justified. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act, 2013.

The dividends of our Company shall be divisible among the members in proportion of the amount of capital paid up or credited as paid-up on the Equity Shares, held by them for the respective period of the holding of the Equity Shares or both. However, our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid on the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Equity Shares while any money may be due or owing from him to the company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account. Any dividend amount (along with interest) that remains unpaid or unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing requisite details.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of Equity Shares and standing to the credit of the Shares Premium Account) be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013 our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of our Shareholders in a General Meeting may determine. According to Section 62(1)(a) of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private Placement and Public Issues shall be undertaken pursuant to Chapter III of the Companies Act, 2013.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act, 2013 and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act, 2013 and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act, 2013.

Our Company may by Ordinary Resolution:

- (i) Consolidate and divide its Equity Shares or any of them into Equity Shares of larger amount than its existing Equity Shares; subject to the applicable approvals under the Companies Act, 2013 for any consolidation and division which results in changes in the voting percentage of members ;
- (ii) Subdivide its existing Equity Shares or any of them into Equity Shares of smaller amount than is fixed originally by the Memorandum of Association, such that in the subdivision, the proportion between the amount paid and the amount unpaid on each reduced Share be the same as it was in the case of the Share from which the reduced Share is derived and other conditions, if any, laid down by the Articles of Association;
- (iii) Cancel any Equity Shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and also may diminish the amount of its Share capital by the amount of the Equity Shares so cancelled.

Further, our Company may, from time to time, by special resolution, reduce its share capital or any share premium account in any manner, subject to any incident authorized and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. For a meeting of the shareholders, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. No business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding such general meeting or is unwilling to act as Chairman, the Directors present shall elect one of them to be the chairman of the meeting. If no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one amongst themselves to be chairman of the general meeting.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting Rights

Every member present in person shall have one vote on poll and the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. The Articles of Association provide that votes may be given by proxies in a manner as authorized under the Articles of Association.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided never the less that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

No member is entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or to be reckoned in a quorum while any call or other sum payable to our Company in respect of any of the Equity Shares of such member shall remain unpaid, and no member is entitled to be present or to vote at any general meeting in respect of any Equity Share that he has acquired by transfer unless his name is entered as the registered holder of the Equity Share in respect of which he claims to vote, but this shall not affect Equity Shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act, 2013 and the Articles of Association. The Companies Act, 2013 provides that not less than two-thirds of the total number of directors on the board of a company, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The independent directors may be appointed for a maximum of two terms of up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors were not, during the three year period, appointed in or associated with the company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution.

Our Board is required to meet at least once every 120 days for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. The quorum for a meeting of our Board is one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where it involves a decision on an affirmative vote item, the quorum is required to include an investor Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the

Companies Act, 2013 and the related SEBI guidelines issued in connection therewith.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws.

Liquidation Rights

In the event that our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Equity Shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the members but this shall be without prejudice to the rights of member registered in respect of Equity Shares issued upon special terms and conditions. On winding up, preference shares issued by our Company, if any, shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

**The Board of Directors,
Jupiter Wagons Limited**
4/2, Middleton Street,
Kolkata – 700 071, West Bengal, India

Re: Statement of special tax benefits available to Jupiter Wagons Limited (“Company”) and its shareholders under the Indian tax laws

We, Singhi & Co., Chartered Accountants, (Firm Registration Number: 302049E) are independent chartered accountants, appointed by the Company and have received a request from the Company to provide certain confirmations on the statement of possible special tax benefits to the Company and its Shareholders. This certificate is issued in accordance with our engagement letter dated January 16, 2023 with the Company in relation to the proposed offering of equity shares of face value ₹10 each by the Company in a Qualified Institutional Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “Issue”).

We hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialed by us and the Company for identification purpose (“**Statement**”) for the proposed Qualified Institutions Placement of equity shares of the Company (“**Issue**”), provides the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, (“**the Act**”) as amended, applicable for the financial year ended March 31, 2024 and relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India (“**Tax Laws**”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and/or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company or its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the Management of the Company. Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities and for claiming/utilization of these available tax benefits. The benefits discussed in the enclosed Statement are not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his/ her/their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Annexure.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in the future;
- The conditions prescribed for availing of the benefits, where applicable have been/would be complied with.
- The Revenue Authorities/Courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (“**the ICAI**”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for the Firm that performs Audits and Reviews of the Historical Financial Information and Other assurance and related services engagements issued by ICAI.

The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue.

This is not a statement/ confirmation of the tax treatment of any transaction of investing in the company or a treatise on tax rates and tax provisions. It only elaborates any possible special tax benefits that are available to the company or to its shareholders over and above those that are generally available to operating companies and to the shareholders.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This certificate may be relied upon by the addressees to this certificate and the legal counsels appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the preliminary placement document and placement document to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue, in accordance with applicable law.

For **Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

Peer Review Number: 014484

Giridhari Lal Choudhary

Partner

Membership No.: 052112

Kolkata

Date: May 10, 2023

UDIN: 23052112BGXCIF8543

Encl: As above

Annexure A

THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO JUPITER WAGONS LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible special tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

1. Special tax benefits available to the Company and its Shareholders under the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India:

No special tax benefits are available to the Company and its shareholders.

2. Special tax benefits available to the Company and its Shareholders under the under the Indirect Tax laws applicable in India:

No special Indirect tax benefits are available to the Company and its shareholders under the Indirect Tax laws applicable in India.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes and civil proceedings, which are pending before various adjudicating forums.

*In terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries and our Directors; (ii) all outstanding actions by statutory or regulatory authorities against our Company, our Subsidiaries and our Directors; (iii) outstanding civil proceedings against our Company and/or our Subsidiaries, which involve an amount equivalent to or above ₹1,181.75 lakh, which is 1% of our Company's total revenue as per the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company and our Subsidiaries; and (v) any other outstanding litigation involving our Company and our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

(i) There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) deposits and interests thereon and (c) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

Our Company has filed a Civil Suit No. 14B of 2015 against Riddhi Siddhi Clothing Company Private Limited and Others ("**Defendants**") under Order 9 Rule 7 of the Code of Civil Procedure Code, 1908 before the Court of IIIrd Additional District Judge, Jabalpur for recovery of money of ₹392621584 (including interests) and for mandatory injunction against the Defendants. Our Company has alleged that Ajay Gupta, the former Director of our Company has fraudulently and dishonestly transferred funds from the Company

through the Defendants for his wrongful gain and to further transfer such funds from the Defendants to Hansika Mercantile Private Limited, a company in which he owns a majority stake. Presently, the matter is pending before the Court of Xth Additional District Judge, Jabalpur.

B. There are no Civil Proceedings filed against our Company

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Company.

Criminal Proceedings involving our Company

A. Criminal Matters filed by our Company

Our Company has filed 3 (Three) complaints against Laxmi Metal Industries under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 (“**NI Act**”) for dishonour of cheques. The matters are at evidence stage and pending before Judicial Magistrate Court, XV Civil Judge Class-I. The aggregate amount involved in these matters is approximately ₹7.30 lakh.

B. Criminal Matters filed against our Company

As on the date of this Placement Document, there are no outstanding criminal matters filed against our Company.

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims (Net of Provision):

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ lakhs)
Direct Tax	3	682.31
Indirect Tax	8	3517.98

2. Litigation involving our Subsidiaries

Material civil proceedings involving our Subsidiaries

A. Civil Proceedings filed by our Subsidiaries

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Subsidiaries.

B. Civil Proceedings filed against our Subsidiaries

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Subsidiaries.

Criminal proceedings involving our Subsidiaries

A. Criminal Matters filed by our Subsidiaries

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Subsidiaries.

B. Criminal Matters filed against our Company

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Subsidiaries.

Tax proceedings involving our Subsidiaries

Nil

3. Litigation involving our Directors

Criminal proceedings involving our Directors

A. Criminal Matters filed by our Directors

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Directors.

B. Criminal Matters filed against our Directors

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Directors.

4. Litigation involving our Promoters

Criminal proceedings involving our Promoters

A. Criminal Matters filed by our Promoters

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. Criminal Matters filed against our Promoters

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Promoters.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

8. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

9. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation.

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

10. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

There are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document, except the matter of emphasis as mentioned in “*Management’s Discussion on Financial Condition and Results of Operations – Auditor’s Observations*” on page 84.

OUR STATUTORY AUDITOR

Walker Chandiok & Co, LLP Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI. Walker Chandiok & Co, LLP, Chartered Accountants, have been appointed as the Statutory Auditors of our Company, pursuant to the approval of the Shareholders of our Company at the AGM held on September 24, 2020, for a term of 5 years commencing from the conclusion of the 40th AGM of the Company till the conclusion of the 45th AGM.

Walker Chandiok & Co, LLP, Chartered Accountants, have performed a review of the Consolidated Unaudited Financial Results in accordance with the Standard on Review Engagements (SRE) 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the ICAI and have issued a limited review report dated February 14, 2023 on the Consolidated Unaudited Financial Results which is included in this Placement Document in “*Financial Information*” on page 207.

Walker Chandiok & Co, LLP, Chartered Accountants, have audited the Audited Financial Statements for Fiscals 2022 and 2021, and their audit reports on those financial statements are included in this Placement Document in “*Financial Information*” on page 207.

Further, B S R & Co, LLP, Chartered Accountants, have audited the Audited Financial Statements for Fiscal 2020 and its audit report on those financial statements are included in this Placement Document in “*Financial Statements*” on page 207.

GENERAL INFORMATION

1. Our Company was originally incorporated as “*Commercial Engineers & Body Builders Co Private Limited*” in Kanpur, Uttar Pradesh on September 28, 1979 as a private limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh. Thereafter, our Company was converted into a public limited company and subsequently the name of our Company was changed to “*Commercial Engineers & Body Builders Co Limited*” and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh and Uttarakhand consequent upon change of name of our Company on March 25, 2010. The registered office of our Company was changed from Uttar Pradesh to Madhya Pradesh, pursuant to certificate of registration of regional director order dated June 18, 2019, for change of state issued by the RoC with effect from August 20, 2019. Subsequently, pursuant to the scheme of amalgamation approved vide orders of the National Company Law Tribunal, Kolkata Bench dated February 28, 2022 and National Company Law Tribunal, Indore Bench dated May 13, 2022, erstwhile Jupiter Wagons Limited were amalgamated with our Company, with the appointed date being October 1, 2019 and the name of our Company was changed to “*Jupiter Wagons Limited*” pursuant a fresh certificate of incorporation dated May 25, 2022, consequent upon change of name was issued by the RoC.
2. Our registered office is located at 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur - 482001, Madhya Pradesh, India and corporate office at 4/2, Middleton Street, Kolkata – 700071, West Bengal, India.
3. Our corporate identification number is L28100MP1979PLC049375. The website of our Company is www.jupiterwagons.com.
4. The Issue was authorized and approved by our Board of Directors on December 17, 2022 and approved by the Shareholders of our Company pursuant to a special resolution passed through a postal ballot resolution dated January 22, 2023, the results of which were declared on January 23, 2023.
5. The Equity Shares are listed on BSE and NSE. Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on May 10, 2023 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.
6. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Bid/ Issue Period at our Registered Office.
7. Except as disclosed in this Placement Document, there has been no material adverse change in our financial or trading position since the date of the Consolidated Unaudited Financial Results, which has been included in this Placement Document.
8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “*Legal Proceedings*” on page 199.
9. The Floor Price is ₹109.12 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company offered a discount of 4.92% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with resolution of our Shareholders passed by way of a postal ballot dated January 22, 2023, the results of which were declared on January 23, 2023.
10. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
11. Our Company has obtained necessary consents, approvals and authorizations as may be required in connection with the Issue.
12. Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including

our website, would be doing it at his or her own risk.

13. Deepesh Kedia is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Deepesh Kedia
Company Secretary and Compliance Officer
Jupiter Wagons Limited
48, Vandana Vihar, Narmada Road
Gorakhpur, Jabalpur – 482001
Madhya Pradesh, India.
Tel: +91 761 266 1336
Email: cs@jupiterwagons.com

DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in this Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%) [^]
1.	AIONIOS ALPHA FUND I	0.18
2.	SOHUM INDIA OPPORTUNITIES FUND	0.10
3.	ANANTA CAPITAL VENTURES FUND 1	0.60
4.	TATA BUSINESS CYCLE FUND	0.24
5.	TATA RETIREMENT SAVINGS FUND - PROGRESSIVE PLAN	0.35
6.	TATA RETIREMENT SAVINGS FUND - MODERATE PLAN	0.36
7.	TATA RETIREMENT SAVINGS FUND - CONSERVATIVE PLAN	0.01
8.	INDIA EMERGING GIANTS FUND LIMITED	0.12
9.	SAINT CAPITAL FUND	0.05
10.	WINRO COMMERCIAL (INDIA) LIMITED	0.36
11.	ITI MULTI CAP FUND	0.12
12.	ITI FLEXI CAP FUND	0.05
13.	ITI MID CAP FUND	0.05
14.	AMPERSAND GROWTH OPPORTUNITIES FUND SCHEME 1	0.19
15.	RESONANCE OPPORTUNITIES FUND	0.35

[^] Based on beneficiary position as on May 12, 2023 (adjusted for Equity Shares Allocated in the Issue).

[#] The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective DP ID and Client ID.

Note. The details as set forth in the table above, are subject to Allotment of Equity Shares pursuant to the Issue.

FINANCIAL INFORMATION

S. No.	Financial Information
1.	Consolidated Unaudited Financial Results for the nine months period ended December 31, 2022 along with the limited review report issued
2.	Audited consolidated financial statements for Fiscal 2022 along with audit report issued
3.	Audited financial statements for Fiscal 2021 along with audit report issued
4.	Audited financial statements for Fiscal 2020 along with audit report issued

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Jupiter Wagons Limited (Formerly Commercial Engineers & Body Builders Co Limited)

1. We have reviewed the accompanying Statement of unaudited consolidated financial results ('the Statement') of Jupiter Wagons Limited [Formerly Commercial Engineers & Body Builders Co Limited] ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint ventures (refer Annexure 1 for the list of subsidiaries and joint ventures included in the Statement) for the quarter ended 31 December 2022 and the consolidated year to date results for the period 01 April 2022 to 31 December 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the financial results for the quarter and nine month period ended 31 December 2021 of the Group and its joint ventures, on which a special purpose review report has been issued by M/s Kedia Singhania & Co., Chartered Accountants who have expressed an unmodified conclusion vide their report dated 13 February 2023 and whose report has been furnished to us by the Holding Company's Board of Directors, and has been relied upon by us for the purpose of our review of the Statement.

Our conclusion is not modified in respect of this matter.

6. We did not review the financial information of two subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 0.30 lakhs and ₹ 0.90 lakhs, total net loss after tax of ₹ 55.60 lakhs and ₹ 109.26 lakhs and total comprehensive loss of ₹55.60 lakhs and ₹ 109.26 lakhs for the quarter and nine month period ended on 31 December 2022, respectively as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 123.13 lakhs and ₹ 204.26 lakhs and total comprehensive loss of ₹ 123.13 lakhs and ₹ 204.26 lakhs for the quarter and nine month period ended on 31 December 2022, respectively, as considered in the Statement, in respect of three joint ventures, whose financial information have not been reviewed by us. These financial information have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Partner

Membership No. 213356

UDIN: 23213356BGXLWO8759

Place: Chennai

Date: 14 February 2023

Annexure 1

List of entities included in the financial statements

Name of the entity	Relationship
JWL Dako Cz India Limited	Joint Venture
JWL Kovis (India) Private Limited	Joint Venture
JWL Talegria (India) Private Limited	Joint Venture
Habitat Real Estate LLP	Subsidiary
Jupiter Electric Mobility Private Limited	Subsidiary

JUPITER WAGONS LIMITED
(FORMERLY COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED)
 Regd. office : 48, Vandana Vihar, Narmada Road, Jabalpur - 482 001, Madhya Pradesh, India
 CIN No: L28100MP1979PLC049375

Statement of Consolidated Financial Results for the quarter and nine month period ended 31 December 2022

		(Rs. in Lakhs)					
Sr. No.	Particulars	Quarter ended	Preceding quarter ended	Corresponding quarter ended in the previous year	Nine month ended	Nine month ended	Year ended
		31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
		Unaudited	Unaudited	Unaudited Refer Note 4	Unaudited	Unaudited Refer Note 4	Audited
	Income						
1	Revenue from operations	64,443.01	41,671.61	29,864.86	1,35,654.72	81,574.55	1,17,835.40
2	Other income	191.88	98.81	185.70	407.91	235.91	339.14
3	Total Income (1+2)	64,634.89	41,770.42	30,050.56	1,36,062.63	81,810.46	1,18,174.54
	Expenses						
	a) Cost of materials consumed	47,632.17	30,063.07	24,156.20	1,04,471.11	63,005.73	91,688.65
	b) Change in inventories of work-in-progress and finished goods	2,048.13	1,124.54	(789.38)	(1,952.35)	(1,679.55)	(2,004.25)
	c) Employee benefits expense	1,099.31	1,040.24	847.69	3,064.76	2,435.83	3,382.97
	d) Finance costs	743.36	714.64	474.88	2,016.37	1,333.91	1,816.69
	e) Depreciation and amortisation expense	615.15	659.13	590.42	1,878.10	1,747.23	2,337.67
	f) Other expenses	5,648.73	4,480.08	3,395.21	14,087.50	9,526.17	13,357.36
	Total expenses	57,786.85	38,081.70	28,675.02	1,23,565.49	76,369.32	1,10,579.09
5	Profit before share in net loss of joint ventures and tax (3-4)	6,848.04	3,688.72	1,375.54	12,497.14	5,441.14	7,595.45
6	Share in loss of Joint ventures	(123.13)	(43.46)	(4.97)	(204.26)	(14.04)	(31.02)
7	Profit before tax (5+6)	6,724.91	3,645.26	1,370.57	12,292.88	5,427.10	7,564.43
8	(a) Tax expense						
	Current tax (net)	-	-	-	-	-	-
	Deferred tax	2,265.60	1,239.52	461.04	4,146.75	1,839.69	2,598.93
	Total tax expense	2,265.60	1,239.52	461.04	4,146.75	1,839.69	2,598.93
9	Profit for the period / year (7-8)	4,459.31	2,405.74	909.53	8,146.13	3,587.41	4,965.50
10	Other Comprehensive Income (OCI)						
	Items that will not be reclassified subsequently to profit and loss						
	Remeasurements of the defined benefit plans	1.82	12.24	27.56	65.09	62.48	2.40
	Income tax relating to these items	0.64	4.28	9.63	22.75	21.83	0.83
	Total Other Comprehensive income for the period / year	1.18	7.96	17.93	42.34	40.65	1.57
11	Total Comprehensive income for the period / year	4,460.49	2,413.70	927.46	8,188.47	3,628.06	4,967.07
12	Profit / (loss) attributable to:						
	- Owners	4,459.36	2,405.80	909.62	8,157.26	3,587.64	4,967.59
	- Non-controlling interests	(0.05)	(0.06)	(0.09)	(11.13)	(0.23)	(2.09)
	Other Comprehensive income/(loss) attributable to:						
	- Owners	1.18	7.96	17.93	42.34	40.65	1.57
	- Non-controlling interests	-	-	-	-	-	-
	Total Comprehensive income /(loss) attributable to:						
	- Owners	4,460.54	2,413.76	927.55	8,199.60	3,628.29	4,969.16
	- Non-controlling interests	(0.05)	(0.06)	(0.09)	(11.13)	(0.23)	(2.09)
13	Paid-up equity share capital (Face value Rs.10/- each)	38,744.74	38,744.74	38,744.74	38,744.74	38,744.74	38,744.74
14	Other Equity (revaluation reserve : Nil)						29,524.56
15	Earnings per share (EPS) (of Rs.10/- each)						
	(EPS for the quarter and period end are not annualised)						
	- Basic	1.16	0.62	0.23	2.11	0.93	1.28
	- Diluted	1.16	0.62	0.23	2.11	0.93	1.28
	See accompanying notes to the standalone and consolidated financial results						

Notes to the standalone and consolidated financial results:

- 1 The above Statement for the quarter and nine month period ended 31 December 2022 of Jupiter Wagons Limited (Formerly known as Commercial Engineers & Body Builders Co Limited) ("the Company"), has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 February 2023.
- 2 These unaudited financial results have been prepared in accordance the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
- 3 The Board of Directors of the Company at its meeting held on 28 September 2020, had approved the Scheme of Amalgamation ("the Scheme") of the Company (formerly known as Commercial Engineering & Body Builders Co Limited "CEBBCO") with erstwhile Jupiter Wagons Limited ("erstwhile JWL"). The Hon'ble National Company Law Tribunal, Kolkata Bench on 28 February 2022 and Hon'ble National Company Law Tribunal Indore Bench on 13 May 2022 had pronounced the order approving the aforesaid Scheme of Amalgamation.

Accordingly, the Company had accounted for the merger on 31 March 2022, which is effective from 1 October 2019, using the acquisition method retrospectively for all the periods presented in the standalone financial results as prescribed in Ind AS 103 – Business Combination as reverse merger.

The impact of the merger on standalone results is as under*:

Particulars	Reported		Restated	
	Quarter ended	Nine month period	Quarter ended	Nine month period
Revenue from operations	11,571.79	26,773.49	29,864.86	81,574.55
Profit before tax	224.45	38.18	1,376.29	5,443.33

*The Company (formerly known as CEBBCO) did not have subsidiary, joint venture or associate and hence had never published consolidated results before merger.

- 4 The figures for the quarter and nine month period ended 31 December 2021 have been reviewed by firm of Chartered Accountants other than statutory auditors.
- 5 The Company is mainly engaged in the business of metal fabrication comprising load bodies for commercial vehicles and rail freight wagons in India. These, in the context of Ind - AS 108, are considered to constitute one single reportable segment. Accordingly, disclosures under Ind AS 108, Operating Segments are not applicable.
- 6 These results have been filed with BSE Limited and National Stock Exchange of India Limited and are also available on the Company's website at www.jupiterwagons.com.

For and on behalf of the **Board of Directors**

Place: Jabalpur
Date : 14 February 2023

Director

Independent Auditor's Report

To the Members of Jupiter Wagons Limited (formerly known as Commercial Engineers & Body Builders Co Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Jupiter Wagons Limited (formerly known as Commercial Engineers & Body Builders Co Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its joint ventures, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, and joint ventures, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 2(b) to the accompanying consolidated financial statements which states that the Holding Company has accounted for the Scheme of Amalgamation (“the Scheme”) between the Holding Company and erstwhile Jupiter Wagons Limited (“Transferor company”) from the appointed date i.e. 1 October 2019, pursuant to the approval received from the National Company Law Tribunal vide its order dated 13 May 2022 which has resulted in the restatement of the comparative financial statements for the preceding year ended 31 March 2021. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>Revenue of the Holding company consists primarily from the business of metal fabrication comprising load bodies for commercial vehicles and rail freight wagons, which is recognized in accordance with the accounting policy as described in Note 2 (e) to the accompanying standalone financial statements. Refer note 32 for the revenue recognised during the year.</p> <p>Owing to the multiplicity of the Holding company’s products which require compliance with varied customer specifications and diverse terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention.</p> <p>Further, Ind AS 115, Revenue from Contracts with Customers (‘Ind AS 115’), requires management to make certain key judgements, such as, determination of transaction price for the contract factoring in variable consideration on account of price adjustment clauses in the agreements with customers.</p> <p>Revenue is recognised at a point in time when the control over the goods is transferred to the customer which is primarily upon delivery of goods as per terms of the contract with customers. The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue and thus, the timing of revenue recognition is important as there is a risk of revenue being recorded before control is transferred.</p>	<p>Our audit procedures relating to revenue recognition included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of revenue transactions of the Holding Company and related process. Accordingly, we assessed the appropriateness of the Holding Company’s revenue recognition policy, including those relating to price adjustments, in accordance with the requirements of Ind AS 115; • Assessed the design and tested the operating effectiveness of Holding Company’s manual and automated controls around revenue recognition; • On a sample basis, tested the revenue transactions recorded during the year and revenue transactions recorded before and after year-end with supporting documents such as invoices, agreements/ purchase order, dispatch memos, fit-to-run memoranda issued by railway authorities etc., to ensure revenue is recognised in the correct period with correct amounts; • On a sample basis, tested the debit and credit notes issued post invoicing and tested year-end accruals, made on account of price adjustment clauses included in the terms of the agreements with the customers; • Performed substantive analytic procedures which included review of price and product mix variances; and • Assessed the adequacy and appropriateness of the disclosures made in the financial statements with respect to revenue recognition in accordance with the accounting standards.

<p>Considering the materiality of amounts involved and above complexities, revenue recognition has been considered as a key audit matter for the current year audit.</p>	
<p>Accounting for Business Combination - Reverse acquisition between Commercial Engineers & Body Builders Co Limited and Jupiter Wagons Limited</p> <p>During the year, a Scheme of Amalgamation and Arrangement (“the Scheme”) between Commercial Engineers & Body Builders Co Limited (‘the Company’), and Jupiter Wagons Limited, was approved by National Company Law Tribunal vide its order dated 13 May 2022 (‘NCLT Order’). Refer Note 51 to the accompanying standalone financial statements.</p> <p>The above business combination has been treated as a reverse acquisition in accordance with Ind AS 103 with effect from 1 October 2019 (‘acquisition-date’) with Jupiter Wagons Limited as the ‘Accounting Acquirer’ and Commercial Engineering & Body Builders Co Limited as the ‘Accounting Acquiree’ and accordingly, the assets and liabilities of Jupiter Wagons Limited are measured at their pre-combination carrying value and the identified assets acquired and liabilities taken over with respect to Commercial Engineering & Body Builders Co Limited, being Accounting Acquiree, measured at acquisition-date fair values.</p> <p>Accounting for aforesaid acquisition included a number of significant and complex judgments and management estimates including but not limited to:</p> <ol style="list-style-type: none"> a) Determination of accounting acquirer and accounting acquiree b) Identification and valuation of assets (including intangible assets) and liabilities (including contractual obligations) as at the acquisition date was performed by the management as part of the Purchase Price Allocation (PPA) in consultation with their external fair value specialists. c) The assets and liabilities were measured at fair value using various valuation methodology applied according to the nature of respective assets and liabilities. The estimation of fair value requires use of various assumptions, estimates of future cash flows as well as use of suitable discount rate. <p>The above transaction has been identified as a Key Audit Matter as this is significant event which happened during the year and it required compliance of scheme and application of complex accounting principles of Ind AS 103 Business Combinations including restatement of financial information from</p>	<p>Our audit procedures to assess the appropriateness of the accounting treatment of the Scheme, included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained and read the Scheme and NCLT Order to understand the transaction and its key terms and conditions relevant to the accounting treatment of the reverse acquisition business combination transaction in accordance with Ind AS 103. • Obtained an understanding of management process relating to business combinations. Evaluated the design and implementation and tested the operating effectiveness of internal controls over Purchase Price Allocation (‘PPA’) performed by the management using an external fair valuation specialist (‘management expert’), and internal controls relating to accounting for the business combination. • Assessed the professional competence, experience and objectivity of the management expert engaged by the Holding Company and obtained understanding of the work performed by the management expert by reviewing the valuation reports. • With the assistance of our valuation specialist, evaluated the appropriateness of the valuation methodology and reasonableness of the key valuation assumptions used by management’s expert including identification of previously unrecognized assets and liabilities. • Tested mathematical accuracy of the calculations used in the PPA and ensured the accounting of the business combination is in accordance with the Scheme approved by the NCLT. • Assessed the adequacy and appropriateness of the disclosures made in the financial statements with respect to the accounting of the transaction in compliance with the applicable accounting standards.

<p>Appointed Date and involved significant judgments and assumptions including for estimation of fair value of assets and liabilities recognised as part of the reverse acquisition.</p> <p>Further, this matter is also considered to be fundamental to the understanding of the users of the standalone financial statements.</p>	
---	--

Information other than the Consolidated Financial Statements and Auditor’s Report thereon

- The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company’s Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
- In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Standards on Auditing 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 consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated 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 Holding 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 made by management;
 - Conclude on the appropriateness of 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 ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures 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; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. 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.
14. 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.
15. 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 auditor's 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.

Other matter

16. We did not audit the financial information of two subsidiaries, whose financial information reflects total assets of ₹ 192.74 lakhs and net assets of ₹ 187.93 lakhs as at 31 March 2022, total revenues of ₹ 1.20 lakhs and net cash inflows amounting to ₹ 1.02 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 31.02 lakhs for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries and joint ventures, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Also, we report that one subsidiary company, incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiary company. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to two joint venture companies incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under Section 2(71) of the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
19. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies, and joint venture companies and taken on record by the Board of Directors of the Holding Company, its subsidiary companies and joint venture companies, respectively, and the reports of the statutory auditors of its subsidiary companies and joint venture companies, covered under the Act, none of the directors of the Group companies, and joint venture companies, are disqualified as at 31 March 2022 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 Holding Company, and its subsidiary companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint ventures as detailed in Note 43A to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary companies and joint venture companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture companies covered under the Act, during the year ended 31 March 2022:
- iv.
- a. The respective managements of the Holding Company and its subsidiary companies, and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 54(d) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or its joint venture companies to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or its joint venture companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 54(e) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its joint venture companies from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or its joint venture companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, and joint ventures, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe

that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Holding Company, its subsidiary companies and joint venture companies have not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 22213356AJYCIO9836

Place: Hyderabad
Date: 30 May 2022

Annexure 1

List of entities included in the financial statements

Name of the entity	Relationship
JWL Dako Cz India Limited	Joint Venture
JWL Kovis (India) Private Limited	Joint Venture
Habitat Real Estate LLP	Subsidiary
Jupiter Electric Mobility Private Limited	Subsidiary

Annexure A

Independent Auditor's report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Jupiter Wagons Limited (Formerly Commercial Engineers & Body Builders Co Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint ventures, as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its joint venture companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company and joint venture companies, which are companies covered under the Act, 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of the aforementioned 1 joint venture, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, 1 subsidiary company and 1 joint venture company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its joint venture company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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

7. 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 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.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company and the joint venture company, the Holding Company, its subsidiary company and its joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the 'ICAI').

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 1.02 lakhs and net assets of ₹ (2.58) lakhs as at 31 March 2022, total revenues of Nil and net cash inflows amounting to ₹1.02 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 14.73 lakhs for the year ended 31 March 2022, in respect of one joint venture company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company and such joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company and its joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company and joint venture company is based solely on the report of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 22213356AJYCIO9836

Place: Hyderabad

Date: 30 May 2022

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Balance Sheet as at 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	39,509.88	38,419.44
Right-of-use assets	5	109.62	117.35
Capital work-in-progress	4	2,219.79	2,053.28
Goodwill		2,041.60	2,041.60
Intangible assets	6	1,102.77	1,238.90
Intangible assets under development	7	-	18.75
Financial assets			
(i) Investments	8	801.85	203.42
(ii) Bank balances	9	723.72	283.85
(ii) Loans	10	46.32	40.73
(ii) Other financial assets	11	276.07	243.01
Deferred tax assets (net)	40(e)	2,709.72	5,309.48
Non-current tax assets (net)	40(b)	211.36	138.41
Other non-current assets	12	584.38	381.35
Total non-current assets		50,337.08	50,489.57
Current assets			
Inventories	13	31,942.99	24,429.53
Financial assets			
(i) Trade receivables	14	7,098.61	7,212.19
(ii) Cash and cash equivalents	15	4,069.91	4,704.67
(iii) Bank balances other than (ii) above	16	2,819.69	2,431.28
(iv) Loans	17	55.84	61.43
(v) Other financial assets	18	2,475.78	1,952.31
Current tax assets (net)	40(c)	38.38	71.63
Other current assets	19	8,402.34	7,692.63
Total current assets		56,903.54	48,555.67
Assets held for sale	20	-	70.00
Total assets		107,240.62	99,115.24
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	38,744.74	38,744.74
Other equity	22	29,524.56	24,555.41
Total equity		68,269.30	63,300.15
Non-Controlling Interest		17.76	19.35
Total		68,287.06	63,319.50
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	23	2,749.61	3,266.90
(ii) Lease liabilities	24	41.84	42.35
Provisions	25	300.79	296.55
Total non-current liabilities		3,092.24	3,605.80
Current liabilities			
Financial liabilities			
(i) Borrowings	26	11,125.25	10,458.79
(ii) Lease liabilities	24	0.51	0.44
(iii) Trade payables	27		
(a) Total outstanding dues of micro and small enterprises		563.28	490.84
(b) Total outstanding dues of creditors other than micro and small enterprises		13,805.30	13,659.62
(iv) Other financial liabilities	28	407.17	332.28
Other current liabilities	29	9,122.24	6,391.02
Provisions	30	313.80	211.19
Current tax liabilities (net)	31	523.77	645.76
Total current liabilities		35,861.32	32,189.94
Total equity and liabilities		107,240.62	99,115.24

The accompanying notes form an integral part of these consolidated financial statements
As per our report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 0010769/N500013

For and on behalf of the Board of Directors of
**Jupiter Wagons Limited (Formerly Commercial Engineers and
Body Builders Co Limited)**

Nikhil Vaid
Partner
Membership No.: 213356

Vivek Lohia
Managing Director
DIN: 00574035

Abhishek Jaiswal
Whole Time Director
DIN: 07936627

Place: Kolkata
Date: 30 May 2022

Place: Jabalpur
Date: 30 May 2022

Place: Hyderabad
Date: 30 May 2022

Sanjiv Keshri
Chief Financial Officer

Deepesh Kedia
Company Secretary
Membership No.:34616

Place: Kolkata
Date: 30 May 2022

Place: Jabalpur
Date: 30 May 2022

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	32	117,835.40	99,575.02
Other income	33	339.14	183.22
Total income		118,174.54	99,758.24
Expenses			
Cost of materials consumed	34	91,688.65	73,962.83
Changes in inventories of work-in-progress	35	(2,004.25)	198.99
Employee benefits expense	36	3,382.97	2,620.43
Finance costs	37	1,816.69	2,111.94
Depreciation and amortisation expense	38	2,337.67	2,117.50
Other expenses	39	13,357.37	12,160.06
Total expenses		110,579.10	93,171.75
Profit before share in net profit/(loss) of joint ventures and tax		7,595.44	6,586.49
Share in loss of Joint ventures		(31.02)	(7.19)
Profit before tax		7,564.42	6,579.30
Tax expense			
Current tax		-	-
Tax adjustment related to earlier years	40	-	26.74
Deferred tax	40(f)	2,598.93	1,212.93
Profit after tax		4,965.49	5,339.63
Other comprehensive income [Refer notes 45 and 40 (f)]			
Items that will not be reclassified subsequently to profit and loss			
- Remeasurements of the defined benefit plans		2.40	(72.20)
Income tax on items that will not be reclassified subsequently to profit or loss			
		0.83	(25.23)
Other comprehensive income, net of tax		1.57	(46.97)
Total comprehensive income for the year		4,967.06	5,292.66
Profit / (loss) attributable to:			
- Owners		4,967.58	5,339.96
- Non-controlling interests		(2.09)	(0.33)
Other Comprehensive income/(loss) attributable to:			
- Owners		1.57	(46.97)
- Non-controlling interests		-	-
Total Comprehensive income /(loss) attributable to:			
- Owners		4,969.15	5,292.99
- Non-controlling interests		(2.09)	(0.33)
Earnings per equity share: (face value of equity shares of INR 10 each)			
Basic (INR)	44	1.28	1.49
Diluted (INR)	44	1.28	1.49

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 0010769/N500013

For and on behalf of the Board of Directors of
Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 30 May 2022

Vivek Lohia
Director
DIN: 00574035

Place: Kolkata
Date: 30 May 2022

Abhishek Jaiswal
Whole Time Director
DIN: 07936627

Place: Jabalpur
Date: 30 May 2022

Sanjiv Keshri
Chief Financial Officer

Place: Kolkata
Date: 30 May 2022

Deepesh Kedia
Company Secretary
Membership No.:34616

Place: Jabalpur
Date: 30 May 2022

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Cash Flow Statement for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<u>Cash flow from operating activities</u>		
Profit before tax	7,595.44	6,586.49
Adjustments for :		
Depreciation and amortisation	2,337.67	2,117.50
Profit on disposal of assets	(17.39)	(3.25)
Bad debt written off	8.72	-
Allowance for doubtful debt, unbilled receivables and advances	42.92	7.00
Deposits written off	-	251.62
Unrealised (gain) / loss on foreign exchange fluctuation	(6.74)	9.97
Liabilities / provisions no longer required written back	(162.68)	(86.27)
Fair value (gain) / loss on mutual funds	(0.11)	0.04
Dividend income	(1.19)	(0.48)
Interest income	(140.54)	(86.71)
Finance cost	1,816.69	2,111.94
Operating cash flow before working capital changes	11,472.79	10,907.85
Changes in assets and liabilities		
(Increase) in inventories	(7,513.46)	(5,937.66)
Decrease/ (increase) in trade receivables	72.03	(3,457.82)
(Increase) in loans	-	(16.98)
(Increase) in other financial assets	(534.56)	(1,130.24)
(Increase) in other assets	(730.81)	(348.38)
Increase in trade payables	260.03	2,560.73
Increase in other financial liabilities	116.11	63.03
Increase in other liabilities	2,858.54	4,480.85
Increase / (Decrease) in provisions	109.25	(51.01)
Cash generated from operations	6,109.92	7,070.37
Income-taxes paid	(158.00)	(332.80)
Net cash provided by operating activities (A)	5,951.92	6,737.57
<u>Cash flow from investing activities</u>		
Purchases of property, plant and equipment, capital work in progress and intangibles assets	(3,668.38)	(2,999.79)
Proceeds from assets held for sale	77.50	32.75
Proceeds from sale of property, plant and equipment	31.07	-
Investment in bank deposits (having original maturity more than 3months)	(828.28)	(2,880.89)
Investment in shares of other entity	(614.05)	(175.60)
Investment in mutual fund	(1.06)	(33.43)
Dividend received	1.19	0.48
Interest received	91.26	36.76
Net cash used in investing activities (B)	(4,910.75)	(6,019.72)
<u>Cash flow from financing activities</u>		
Proceeds from issue of equity share capital	-	8,500.00
Proceeds/ (repayment) from short term borrowings (net)	341.27	(1,328.92)
Repayment of long term borrowings	(1,198.39)	(3,303.48)
Proceeds from long term borrowings	1,000.00	500.00
Repayment of lease liabilities	(6.06)	(7.86)
Finance cost paid		
- on borrowings	(1,286.08)	(1,838.34)
- on others	(526.67)	(282.29)
Net cash (used in) / generated from financing activities (C)	(1,675.93)	2,239.11
Net cash flow during the year (A+B+C)	(634.76)	2,956.96
Cash and cash equivalents at the beginning of the year	4,704.67	1,747.71
Cash and cash equivalents at the end of the year	4,069.91	4,704.67
Components of cash and cash equivalents (Refer note 15)		
Balances with scheduled banks:		
- Current accounts	4,054.47	4,694.55
Cash on hand	15.44	10.12
Cash and cash equivalents at the end of the year	4,069.91	4,704.67

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Cash Flow Statement for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

Notes :

a. The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cashflow".

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 0010769/N500013

For and on behalf of the Board of Directors of
Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 30 May 2022

Vivek Lohia
Director
DIN: 00574035

Place: Kolkata
Date: 30 May 2022

Abhishek Jaiswal
Whole Time Director
DIN: 07936627

Place: Jabalpur
Date: 30 May 2022

Sanjiv Keshri
Chief Financial Officer

Place: Kolkata
Date: 30 May 2022

Deepesh Kedia
Company Secretary
Membership No.:34616

Place: Jabalpur
Date: 30 May 2022

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Statement of Changes in Equity for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital (Refer note 21)

Particulars	As at	As at
	31 March 2022	31 March 2021
Balance at the beginning of the year	38,744.74	32,783.59
Shares issued during the year	-	5,961.15
Balance at the end of the year	38,744.74	38,744.74

B. Other equity (Refer note 22)

	Capital reserve	Retained earnings	Total
Balance as at 1 April 2020	(763.70)	17,487.27	16,723.57
Profit for the year	-	5,339.96	5,339.96
Other comprehensive income for the year	-	(46.97)	(46.97)
Changes during the year [Refer note 22 (c)]	2,538.85	-	2,538.85
Balance as at 1 April 2021	1,775.15	22,780.26	24,555.41
Profit for the year	-	4,967.58	4,967.58
Other comprehensive income for the year	-	1.57	1.57
Balance as at 31 March 2022	1,775.15	27,749.41	29,524.56

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 0010769/N500013

For and on behalf of the Board of Directors of
Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Nikhil Vaid
Partner
Membership No.: 213356

Vivek Lohia
Director
DIN: 00574035

Abhishek Jaiswal
Whole Time Director
DIN: 07936627

Place: Hyderabad
Date: 30 May 2022

Place: Kolkata
Date: 30 May 2022

Place: Jabalpur
Date: 30 May 2022

Sanjiv Keshri
Chief Financial Officer

Deepesh Kedia
Company Secretary
Membership No.:34616

Place: Kolkata
Date: 30 May 2022

Place: Jabalpur
Date: 30 May 2022

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

1. Corporate information

Jupiter Wagons Limited [(Formerly Commercial Engineers and Body Builders Co Limited) (the "Company")], having registered office situated at 48, Vandana Vihar, Narmada Road, Madhya Pradesh, Jabalpur – 482001 (CIN L28100MP1979PLC049375), India, incorporated on 28 September 1979, under the Companies Act, 1956, together with its subsidiaries (collectively referred to as 'Group') and joint venture, is engaged in the business of manufacturing railway wagons, passenger coaches, wagon components and castings metal fabrication comprising load bodies for commercial vehicles, rail freight wagons and components with manufacturing facilities at Hooghly (WB), Jabalpur (MP), Indore (MP) and Jamshedpur (Jharkhand).

2. Basis of preparation and significant accounting policies

a. Statement of compliance

The Holding Company has prepared its consolidated financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder, and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Act.

The consolidated financial statements have been prepared on an accrual basis using the historical cost convention, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

The consolidated financial statements were authorised for issue by the Group's Board of Directors on 30 May 2022.

b. Basis of preparation

The consolidated financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values and accounting for business combination carried out by the Group during the period (as more fully explained in note 51). The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and as per terms of agreements wherever applicable which is period of twelve months. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

c. Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Group and to the noncontrolling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts in INR in lakh unless otherwise stated)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

Interest in joint ventures is accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Holding Company to obtain control of subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred by the former owners of acquired entity. Acquisition costs are generally recognized in the statement of profit and loss as incurred.

Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and where exists clear evidence of underlying reasons of classifying business combinations as bargain purchase, the difference is recognized in the other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

d. Functional and presentation currency

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

e. Revenue recognition

Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Group follows a 5-step process:

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example,

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts in INR in lakh unless otherwise stated)

indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates, service level credits, performance bonuses, price concessions and incentives.

Revenue is recognised either at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised goods to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

Contract assets (Unbilled revenue)

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. Contract liabilities (Unearned or deferred revenue is recognised when there is billings in excess of revenues) Contracts are subject to modification to account for changes in contract specification and requirements. The Group 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.

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 group and the revenue can be reliably measured.

Sale of scrap

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

Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

For instruments measured at amortised 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 amortised cost of a financial liability. When calculating the effective interest rate, the Group 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. Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work-in-progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods is determined on manufacturing cost basis.
- Stores and spares and other consumables are valued at net realisable value.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

g. Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

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

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

h. Cash and cash equivalents

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

i. Foreign currency transactions

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ (losses) arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the statement of profit and loss. Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. The Group 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.

j. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments** – The Group subsequently measures all equity investments (other than joint ventures and associates) at fair value (either through profit or loss or through other comprehensive income). Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement at amortised cost

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Subsequent measurement at fair value

The Group has classified contingent consideration under business combination as financial liability. Such financial liability is subsequently measured at fair value with changes in fair value recognised in profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Group 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 Management 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 Group'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 Group 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.

l. Property, plant and equipment ('PPE')

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

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.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

- (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.

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

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

m. Intangible assets

Recognition, initial measurement and subsequent measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Computer software is amortised over their respective individual estimated useful life on straight line method for 3 to 5 years and customer relationships are amortised over their useful life of 10 years; commencing from the date, the asset is available to the Group for its use.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

An intangible asset is derecognised 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.

n. Capital work-in progress

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Group for the projects are shown as capital work-in-progress until capitalisation.

o. Impairment of non-financial assets

The carrying amounts of the Group'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 recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

p. Right of use assets and lease liabilities

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Group as a lessee

Classification of leases

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

q. Borrowing cost

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

r. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

s. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefit plans

Gratuity: The Group has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

Compensated absences: Liability for compensated absences that are not short term, are determined on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to profit or loss.

Short-term employee benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u. 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 Group's Management to allocate resources to the segments and assess their performance.

v. Asset held for sale

The Group 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 amortised.

3. Recent accounting pronouncement

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

(All amounts in INR in lakh unless otherwise stated)

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to de-recognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The management is in the process of evaluating impact, if any, on account of the aforementioned amendments on the financial statements of the Group.

3.1 Significant accounting judgments, estimates and assumptions

When preparing the consolidated financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(iii) Contingent liabilities

The Group has certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

(iv) Revenue recognition

Judgement is 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 inflation related adjustments etc. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group 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.

(v) Provisions

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding guarantees. However, the actual future outcome may be different from management's estimates.

(vi) Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Electrical installation	Vehicles	Office equipment	Furniture and fixtures	Computer	Total
Gross carrying amount									
As at 1 April 2020	15,188.96	10,124.74	16,202.52	227.70	304.82	16.61	402.21	26.16	42,493.72
Add: Additions during the year	62.64	639.17	1,735.77	-	-	16.42	45.59	6.40	2,505.99
Less: Disposals during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2021	15,251.60	10,763.91	17,938.29	227.70	304.82	33.03	447.80	32.56	44,999.71
Add: Additions made during the year	36.88	1,388.22	1,637.47	23.22	28.62	8.38	120.08	16.60	3,259.47
Less: Disposals/ adjustments during the year	-	-	(18.61)	-	(29.18)	-	-	-	(47.79)
As at 31 March 2022	15,288.48	12,152.12	19,557.15	250.92	304.27	41.41	567.88	49.16	48,211.39
Accumulated depreciation									
As at 1 April 2020	-	1,122.48	3,262.60	132.76	39.60	7.04	57.58	9.72	4,631.79
Add: Depreciation expense for the year	-	397.34	1,391.60	30.99	38.74	4.23	76.28	9.31	1,948.49
Less: Disposals/ adjustments during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	1,519.82	4,654.20	163.74	78.35	11.27	133.86	19.03	6,580.28
Add: Depreciation expense for the year	-	414.96	1,576.03	30.87	38.10	5.73	71.24	10.91	2,147.83
Less: Disposals/ adjustments during the year	-	-	(3.30)	-	(23.30)	-	-	-	(26.60)
As at 31 March 2022	-	1,934.78	6,226.93	194.61	93.15	17.00	205.10	29.94	8,701.51
Net block									
As at 31 March 2022	15,288.48	10,217.34	13,330.22	56.31	211.12	24.41	362.78	19.22	39,509.88
As at 31 March 2021	15,251.60	9,244.09	13,284.09	63.96	226.47	21.76	313.94	13.53	38,419.44

Notes:

- a) For details of assets hypothecated as securities, refer note 23 and 26.
b) Refer note 43 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

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

4. Capital work-in-progress (CWIP)

Particulars	As at	As at
	31 March 2022	31 March 2021
Balance at the beginning of the year	2,053.28	1,765.17
Additions made during the year	767.89	1,028.62
Capitalised during the year	(601.38)	(740.51)
Balance at the end of the year	2,219.79	2,053.28

(a) Ageing schedule of capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	1,863.76	314.69	41.35	-	2,219.79
Projects temporarily suspended	-	-	-	-	-
Total	1,863.76	314.69	41.35	-	2,219.79

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021					
Projects in progress	1,213.59	362.61	476.56	0.52	2,053.28
Projects temporarily suspended	-	-	-	-	-
Total	1,213.59	362.61	476.56	0.52	2,053.28

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

5. Right-of-use assets

Gross carrying amount	Land	Building	Total
Balance as at 1 April 2020	145.43	5.17	150.60
Add: Additions during the year	-	-	-
Less: Adjustments during the year	-	-	-
Balance as at 31 March 2021	145.43	5.17	150.60
Add: Additions during the year	-	-	-
Less: Adjustments during the year	-	-	-
As at 31 March 2022	145.43	5.17	150.60
Accumulated amortisation			
Balance as at 1 April 2020	20.49	2.59	23.08
Add: Depreciation expense for the year	7.59	2.58	10.17
Less: Adjustments during the year	-	-	-
Balance as at 31 March 2021	28.08	5.17	33.25
Add: Depreciation expense for the year	7.73	-	7.73
Less: Adjustments during the year	-	-	-
As at 31 March 2022	35.81	5.17	40.98
Net book value			
As at 31 March 2022	109.62	-	109.62
As at 31 March 2021	117.35	-	117.35

Refer Note 42 for lease related disclosure

6. Intangible assets

Gross carrying amount	Software	Customer Relationship	Total
Balance as at 1 April 2020	74.04	1,336.46	1,410.50
Add: Additions during the year	84.00	-	84.00
Less: Adjustments during the year	-	-	-
Balance as at 31 March 2021	158.04	1,336.46	1,494.50
Add: Additions during the year	45.98	-	45.98
Less: Adjustments during the year	-	-	-
As at 31 March 2022	204.02	1,336.46	1,540.48
Accumulated amortisation			
Balance as at 1 April 2020	29.95	66.82	96.78
Add: Amortisation expense for the year	25.19	133.65	158.84
Less: Adjustments during the year	-	-	-
Balance as at 31 March 2021	55.14	200.47	255.61
Add: Amortisation expense for the year	48.46	133.65	182.11
Less: Adjustments during the year	-	-	-
As at 31 March 2022	103.59	334.12	437.71
Net book value			
As at 31 March 2022	100.43	1,002.34	1,102.77
As at 31 March 2021	102.91	1,135.99	1,238.90

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

7. Intangible assets under development

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	18.75	19.50
Add: Additions made during the year	9.00	64.25
Less: Capitalised during the year	27.75	65.00
Balance at the end	-	18.75

A1 Ageing schedule of intangible assets under development

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18.75	-	-	-	18.75
Projects temporarily suspended	-	-	-	-	-

8. Investments

	As at 31 March 2022	As at 31 March 2021
Investments carried at fair value through profit and loss		
Unquoted		
Mutual funds		
Aditya Birla Sun Life low duration fund - reinvestment [Units: 34,216.262 (31 March 2021: 32,577.031)]	34.56	33.39
Investments in joint ventures		
JWL Kovis (India) Private Limited 2,018,348 (31 March 2021: 1,756,000) equity shares of INR 10 each, fully paid up	767.29	170.03
JWL Dako-Cz (India) Limited* 600 (31 March 2021: 600) equity shares of INR 10 each, fully paid up * Value less than INR 1,000	0.00	0.00
Investment in limited liability partnership firm (unquoted, at cost)		
Unquoted		
Habitation Realestate LLP	-	-
Total	801.85	203.42
Note:		
(i) Aggregate value of unquoted investments	801.85	203.42
(ii) Aggregate amount of impairment in the value of investments	-	-
(iii) Mutual funds are under lien against borrowing from financial institution. (Refer note 23 and 26)	34.56	33.39

9. Bank balances

	As at 31 March 2022	As at 31 March 2021
Fixed deposits with maturities more than 12 months	723.72	283.85
Total	723.72	283.85
Note:		
Deposits represents deposits with original maturity for more than 12 months, held by the entity, lien marked with various banks for working capital facilities used.		

10. Loans

	As at 31 March 2022	As at 31 March 2021
Carried at amortised cost		
Loans receivables – considered good - unsecured		
Loans to employees (Refer note below)	46.32	40.73
Total	46.32	40.73
Note:		
(i) The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.		
(ii) Break up of security details:		
Particulars	As at 31 March 2022	As at 31 March 2021
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	46.32	40.73
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total	46.32	40.73
Loss allowance	-	-
Total	46.32	40.73

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

11. Other financial assets	As at	As at
	31 March 2022	31 March 2021
Security deposits	276.07	243.01
	276.07	243.01

12. Other non-current assets	As at	As at
	31 March 2022	31 March 2021
Unsecured, considered good		
Statutory dues paid under protest	58.10	56.72
Capital advances	452.76	270.82
Prepaid expenses	73.52	53.81
Unsecured, considered doubtful		
Capital advances	16.00	16.00
	600.38	397.35
Less: Provision for doubtful capital advances	16.00	16.00
Total	584.38	381.35

13. Inventories	As at	As at
	31 March 2022	31 March 2021
(Valued at lower of cost and net realisable value)		
Raw material [including goods in transit - Nil (31 March 2021 INR 35.27 lakhs)]	22,271.42	16,781.79
Work in progress	7,414.38	6,512.72
Finished goods	2,010.40	907.81
Stores and spares	246.79	227.21
Total	31,942.99	24,429.53

Note:

- (i) During the year ended 31 March 2022, an amount of INR (71.21 lakhs) (31 March 2021: INR (36.54 lakhs) was recognised as an expense / (reversal) for inventories carried at net realisable value.

14. Trade receivables	As at	As at
	31 March 2022	31 March 2021
Unsecured, considered good	7,098.61	7,212.19
Unsecured, considered doubtful	244.86	210.83
	7,343.47	7,423.02
Impairment allowance (allowance for bad and doubtful debt)		
Less : Trade receivables- credit impaired	244.86	210.83
Total	7,098.61	7,212.19

Note:

- (i) **Movements in allowance for credit losses of receivables is as below:**

	As at	As at
	31 March 2022	31 March 2021
Opening balance	210.83	1,506.67
Add: Allowance made during the year	34.03	5.91
Less: Write off during the year	-	1,301.75
Closing balance	244.86	210.83

(ii) Break up of security details	As at	As at
	31 March 2022	31 March 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	7,098.61	7,212.19
Trade receivables which have significant increase in credit risk	18.04	-
Trade receivables - credit impaired	226.82	210.83
Total	7,343.47	7,423.02
Loss allowance	244.86	210.83
Total	7,098.61	7,212.19

(iii) Trade receivable ageing schedule

As at 31 March 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed - considered good	6,965.28	90.96	42.37	-	-	7,098.61
Undisputed - credit impaired	-	-	-	3.92	14.12	18.04
Disputed - considered good	-	-	-	-	-	-
Disputed - credit impaired	1.51	19.89	0.01	-	205.41	226.82
Total	6,966.79	110.85	42.38	3.92	219.53	7,343.47
Loss allowance	1.51	19.89	0.01	3.92	219.53	244.86
Total	6,965.28	90.96	42.37	-	-	7,098.61

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

As at 31 March 2021	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed - considered good	7,161.35	26.07	10.36	14.41	-	7,212.19
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - credit impaired	3.92	-	-	0.54	206.37	210.83
Total	7,165.27	26.07	10.36	14.95	206.37	7,423.02
Loss allowance	3.92	-	-	0.54	206.37	210.83
Total	7,161.35	26.07	10.36	14.41	-	7,212.19

15. Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash on hand	15.44	10.12
Balances with banks	4,046.42	4,694.55
Fixed deposit with maturity less than 3 months (Refer note below)	8.05	-
Total	4,069.91	4,704.67

Note:

Bank deposits represents deposits with original maturity for less than 3 months held by the entity lien marked with various banks for working capital facilities used.

16. Other bank balances

	As at 31 March 2022	As at 31 March 2021
Fixed deposits with maturities less than 12 months (Refer note below)	2,819.69	2,431.28
Total	2,819.69	2,431.28

Note:

Bank deposits represents deposits with original maturity for more than 3 months but less than 12 months, held by the entity, lien marked with various banks for working capital facilities used.

17. Loans

	As at 31 March 2022	As at 31 March 2021
Carried at amortised cost		
Loans receivables – considered good - unsecured		
Loans to employees	55.84	61.43
Total	55.84	61.43

Note:

(i) Break up of security details

	As at 31 March 2022	As at 31 March 2021
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	55.84	61.43
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total	55.84	61.43
Loss allowance	-	-
Total	55.84	61.43

18. Other financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Contract assets	198.76	988.66
Interest accrued on term deposits	234.95	189.36
Security deposits	164.03	222.69
Other receivables	1,878.04	551.60
Unsecured, considered doubtful		
Inter corporate deposits (Refer note (ii) below)	1,000.00	1,000.00
Contract assets	8.89	-
	3,484.67	2,952.31
Less: Loss allowance for inter corporate deposits	1,000.00	1,000.00
Less: Provision for allowances	8.89	-
Total	2,475.78	1,952.31

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

(i) **Movements in allowances for credit losses is as below:**

	As at 31 March 2022	As at 31 March 2021
Opening balance	1,000.00	1,000.00
Add: Allowance measured at expected credit losses	8.89	-
Less: Utilisation during the year	-	-
Closing balance	1,008.89	1,000.00

(ii) "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 2022. 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.

(iii) **Contract assets (Unbilled revenue) Ageing Schedule**

Particulars	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed unbilled revenue-considered good	198.76	-	-	-	-	-	198.76
Disputed unbilled revenue-considered good	-	-	-	-	-	-	-
Total	198.76	-	-	-	-	-	198.76

Particulars	Outstanding for following periods from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021							
Undisputed unbilled revenue-considered good	988.66	-	-	-	-	-	988.66
Disputed unbilled revenue-considered good	-	-	-	-	-	-	-
Total	988.66	-	-	-	-	-	988.66

19. **Other current assets**

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance to suppliers	1,377.85	592.80
Prepaid expenses	156.34	129.79
Balance with statutory/government authorities	6,592.10	6,519.04
Statutory dues paid under protest	2.81	2.81
Sales tax incentive receivable	185.49	360.44
Others	87.75	87.75
Unsecured, considered doubtful		
Advance to suppliers	6.72	40.38
Provident fund receivable	63.00	63.00
	8,472.06	7,796.01
Less: Provision for doubtful advances	6.72	40.38
Less: Provision for provident fund receivable	63.00	63.00
Total	8,402.34	7,692.63

20. **Assets held for sale**

	As at 31 March 2022	As at 31 March 2021
Plant and equipment	-	70.00
Total	-	70.00

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

21. Share capital

Authorised share capital

	Equity shares		Preference Shares	
	Number of shares	Amount	Number of shares	Amount
As at 01 April 2020	388,850,000	38,885.00	8,800,000	8,800.00
Increase during the year	-	-	-	-
As at 31 March 2021	388,850,000	38,885.00	8,800,000	8,800.00
Increase during the year	-	-	-	-
As at 31 March 2022	388,850,000	38,885.00	8,800,000	8,800.00

Issued equity share capital

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

	Number of shares	Amount
As at 01 April 2020	327,835,886	32,783.59
Increase during the year (Refer note below)	59,611,533	5,961.15
As at 31 March 2021	387,447,419	38,744.74
Increase during the year	-	-
As at 31 March 2022	387,447,419	38,744.74

Note Pursuant to the Scheme becoming effective from 1 October 2019, on 29 May 2022, the Holding Company has allotted 338,631,597 fully paid equity shares to the eligible shareholders of erstwhile JWL on 29 May 2022 out of which 279,020,064 fully paid shares are effective 1 October 2019 and balance 59,611,533 fully paid shares are effective 30 September 2020 and has cancelled 40,666,835 shares held by Jupiter Wagons Limited in the Holding Company.

Notes:

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	387,447,419	38,744.74	327,835,886	32,783.59
Add: shares issued during the year	-	-	59,611,533	5,961.15
At the end of the year	387,447,419	38,744.74	387,447,419	38,744.74

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of INR 10 each fully paid held by				
Karishma Goods Private Limited	89,581,249	23.12%	89,581,249	23.12%
Tatragonka, A.S	79,345,729	20.48%	79,345,729	20.48%
Jupiter Metal Spring Private Limited	43,396,760	11.20%	43,396,760	11.20%

d) Details of promoters' shareholding percentage in the Holding Company is as below

	As at 31 March 2022		As at 31 March 2021		% Change
	Number of shares	% of holding	Number of shares	% of holding	
Equity shares of INR 10 each fully paid held by					
Karisma Goods Private Limited	89,581,249	23.12%	89,581,249	23.12%	0.00%
Tatragonka, A.S	79,345,729	20.48%	79,345,729	20.48%	0.00%
Jupiter Metal Spring Private Limited	43,396,760	11.20%	43,396,760	11.20%	0.00%
Anish Consultants & Credits Private Limited	15,361,880	3.96%	15,361,880	3.96%	0.00%
Murari Lal Lohia	15,243,185	3.93%	15,243,185	3.93%	0.00%
Jupiter Forging & Steel Private Limited.	14,953,129	3.86%	14,953,129	3.86%	0.00%
Vikash Lohia	11,426,473	2.95%	11,426,473	2.95%	0.00%
Vivek Lohia	7,796,540	2.01%	7,796,540	2.01%	0.00%
Murari Lal Lohia HUF	7,305,814	1.89%	7,305,814	1.89%	0.00%
Usha Lohia	1,912,135	0.49%	1,912,135	0.49%	0.00%
Ritu Lohia	1,443,345	0.37%	1,443,345	0.37%	0.00%
Shradha Lohia	728,422	0.19%	728,422	0.19%	0.00%
Riddles Marketing Private Limited.	564,775	0.15%	564,775	0.15%	0.00%
Samir Kumar Gupta	55,100	0.01%	55,100	0.01%	0.00%

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

22. Other equity

	Note	As at 31 March 2022	As at 31 March 2021
Capital reserve	a	1,775.15	1,775.15
Retained earnings	b	27,749.41	22,780.26
Total		29,524.56	24,555.41
		As at 31 March 2022	As at 31 March 2021
a. Capital reserve			
Balance at the beginning of the year		1,775.15	(763.70)
Add: Addition during the year [Refer note (c) below]		-	2,538.85
Balance at the end of the year		1,775.15	1,775.15
b. Retained earnings			
Balance as at the beginning of the year		22,780.26	17,487.27
Add: Profit for the year		4,967.58	5,339.96
Items of other comprehensive (expense) / income recognised directly in retained earnings			
Remeasurement of post employment benefit obligation, net of tax		1.57	(46.97)
Balance at the end of the year		27,749.41	22,780.26
Total other equity		29,524.56	24,555.41

- c. During the previous year ended 31 March 2021, the erstwhile Jupiter Wagons Limited had made a private placement of shares amounting to INR 8,500 lakhs and issued 1,081,879 equity shares (face value INR 10 per share) to various shareholders having face value of INR 10 per share at a premium of INR 775.67 per share. This was approved by the then Board of Directors of erstwhile Jupiter Wagons Limited, vide board resolution dated 12 August 2020. As per the Scheme of Amalgamation, the impact of these additional shares issued were to be taken into effect from 1 October 2019 along with purchase consideration i.e. the date on which business combination accounting has taken place. But, as the shares were actually issued in financial year 20-21, the premium of INR 2,538.85 lakhs (received on shares issued in financial year 2020-21 by erstwhile Jupiter Wagons Limited) was adjusted in financial year 2020-21. Further, refer note 51 for additional details.

Nature and purpose of reserve

i. Capital reserve

INR 1,775.15 lakhs lying in capital reserve represents excess of net assets taken over by the Company over purchase consideration, as per the Scheme of Amalgamation, which took place during the current year w.e.f., 01 October 2019. Accumulated capital surplus is not available for distribution of dividend and expected to remain invested permanently.

ii. Retained earnings

Retained earnings represents the accumulated profits / losses made by the Company over the years.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

23. Borrowings

	As at 31 March 2022	As at 31 March 2021
Secured loans		
Term loans from banks	2,645.18	3,583.26
Term loans from financial institutions	1,497.96	725.81
Vehicle loans		
from banks	15.23	35.12
from financial institution and other	66.99	73.27
Less: Current maturity of long term borrowings (Refer note 26)	(1,475.75)	(1,150.56)
	2,749.61	3,266.90

Repayment terms and security disclosure for the outstanding borrowings:

A. Rupee term loan

Terms of Borrowings	Security	Terms of repayment	As at 31 March 2022	As at 31 March 2021
(I) Federal Bank Limited Interest rate linked to Repo plus spread, current carrying interest between 7.75% to 7.98% (31 March 2021: 10.70%).	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.	Repayable in 72 monthly installments and loan transferred from Axis Bank Limited are repayable in 29 structured quarterly installments.	2,104.78	751.38
(II) Axis Bank Limited Interest rate linked to one year MCLR + 2.35, current carrying interest @ 9.70% (31 March 2021: 10.50%)	iii. Personal guarantee of Mr. Vivek Lohia and Mr. Vikash Lohia.	Repayable in 60 equal monthly installments.	559.02	2,831.88
(III) Aditya Birla Finance Limited Interest rate linked to long term reference rate - Spread. Current carrying interest of 9.50% (31 March 2021: 11.50%).	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. Personal guarantee of Mr. Vivek Lohia and Mr. Vikash Lohia.	Repayable in 60 equal monthly installments.	1,375.23	497.44
(IV) Hero Fincorp Limited Carrying interest rates of 11% p.a. to 11.5% p.a. (31 March 2021: 11%- 11.5%)	Secured by hypothecation lien mark on the assets being funded by the lenders. Exclusive first charge by way of registered/equitable mortgage of the property.	The loans are repayable in 48 to 60 months equal installments.	20.07	112.93
(V) Indiabulls Housing Finance Limited Carrying interest rate of 13.00% p.a. (31 March 2021: 13.00% p.a.)	Secured by hypothecation lien mark on the assets being funded by the lenders. Exclusive first charge by way of registered/equitable mortgage of the property.	The loan is repayable in 120 months equal installments.	84.02	115.44

A. Vehicle loan

Terms of Borrowings	Security	Terms of Repayment	As at 31 March 2022	As at 31 March 2021
1. From banks				
Federal Bank Limited Carrying interest rate of 8.76% p.a (31 March 2021: 8.76% p.a.)	First charge on the vehicle being funded by the lender.	Repayable in 36 to 60 equal monthly installments.	15.23	35.12
From financial institution and other BMW Financial Services Carrying interest rate of 9.74% p.a (31 March 2021: 9.74% p.a.)		Repayable in 48 equal monthly installments.	66.99	73.27

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
24. Lease liabilities		
Non-Current		
Lease liabilities	41.84	42.35
Total non-current	41.84	42.35
Current		
Lease liabilities	0.51	0.44
Total current	0.51	0.44
Total	42.35	42.79

	As at 31 March 2022	As at 31 March 2021
25. Provisions		
Provision for employee benefits (Refer note 45)		
- Gratuity	300.79	296.55
Total	300.79	296.55

	As at 31 March 2022	As at 31 March 2021
26. Borrowings		
Secured loans		
From banks		
Cash credit facilities	6,524.74	7,435.82
Working capital	1,426.87	-
From financial institution		
Working capital	1,425.95	996.87
Current maturities of long term borrowings (Refer note 23)	1,475.75	1,150.56
Unsecured loans		
From banks		
Bill discounting	271.94	875.54
Total	11,125.25	10,458.79

(i) **Nature of security**
Cash credit and working capital loan facilities from banks and financial institutions are secured by either one or more of the following as per terms of arrangement with respective banks and financial institutions:

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.

Guarantors:

Personal guarantee of Mr. Vivek Lohia and Mr. Vikash Lohia

(ii) Interest rate on cash credit facilities, working capital facility and bill discounting ranges from 6.25% to 12.70% (31 March 2021: 8.69% to 11.55%)

	As at 31 March 2022	As at 31 March 2021
27. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 47)	563.28	490.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,805.30	13,659.62
Total	14,368.58	14,150.46

Ageing schedule of trade payables

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed dues- MSME	-	-	535.84	27.43	-	-	563.27
Undisputed dues- Others	282.16	-	12,495.72	452.26	448.24	-	13,678.38
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	126.93	126.93
Total	282.16	-	13,031.56	479.69	448.24	126.93	14,368.58

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021							
Undisputed dues- MSME	-	-	490.84	-	-	-	490.84
Undisputed dues- Others	308.08	-	12,552.26	520.88	76.48	-	13,457.70
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	201.92	201.92
Total	308.08	-	13,043.10	520.88	76.48	201.92	14,150.46

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

28. Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Capital creditors	47.48	80.72
Interest accrued and not due on borrowings	3.94	11.93
Deposits from contractors and others	11.60	16.69
Employee benefits payable	344.15	222.94
Total	407.17	332.28

29. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers	8,806.26	5,967.01
Statutory dues payable	307.30	290.09
Interest accrued on statutory dues	6.62	6.62
Other liabilities	2.06	127.30
Total	9,122.24	6,391.02

30. Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Refer note 45)		
- Gratuity	159.99	106.68
- Compensated absences	139.49	90.19
Provision for litigations	14.32	14.32
Total	313.80	211.19

Movement in provision for litigations

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	14.32	144.69
Add: Provision recognised during the year	-	-
Less: Reversal/ utilisation during the year	-	(130.37)
Closing balance	14.32	14.32

31. Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for income tax	523.77	645.76
Total	523.77	645.76

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

32. Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Sale of products	116,477.29	98,893.18
Sale of services		
Job work charges	52.16	5.07
Other operating revenue		
Sale of scrap	1,303.35	674.75
Others	1.80	0.27
Duty drawback	0.80	1.75
Total	117,835.40	99,575.02

(i) Contract balances

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	7,098.61	7,212.19
Unbilled revenue	198.76	988.66

(ii) Reconciliation of revenue recognised with the contracted price is as follows

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contracted price	109,566.15	95,397.85
Increase/ (reduction) towards variable consideration components*	6,963.30	3,500.40
Revenue recognised	116,529.45	98,898.25

*The reduction towards variable consideration comprises of discounts and increase comprises of escalations etc.

33. Other income

Interest income		
- Deposits with banks	136.85	86.08
- Deposits with others	5.48	3.15
Provisions/liabilities no longer required written back	162.68	86.27
Gain on foreign exchange fluctuation (net)	9.46	-
Profit on sale of property, plant and equipment	9.89	-
Profit on disposal of asset held for sale	7.50	3.25
Other financial assets carried at amortised cost	-	1.18
Miscellaneous income	7.29	3.29
Total	339.14	183.22

34. Cost of materials consumed

Opening stock		
Raw materials [excluding goods in transit - Nil (31 March 2021 INR 35.27 lakhs)]	16,746.52	10,691.91
Add: Purchases	97,213.55	80,017.44
	113,960.07	90,709.35
Less: Closing stock		
Less: Raw materials [excluding goods in transit - Nil (31 March 2021 INR 35.27 lakhs)]	22,271.42	16,746.52
Total	91,688.65	73,962.83

35. Changes in inventories of work-in-progress

Opening stock		
Finished goods	907.81	1,502.29
Work-in-progress	6,512.72	6,117.24
Total	7,420.53	7,619.53
Closing stock		
Finished goods	2,010.40	907.81
Work-in-progress	7,414.38	6,512.72
Total	9,424.78	7,420.53
Total	(2,004.25)	198.99

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022

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

36. Employee benefits expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	3,071.11	2,416.84
Contribution to provident and other funds (Refer note 45)	64.63	69.30
Staff welfare expenses	247.23	134.29
Total	3,382.97	2,620.43

37. Finance costs

Interest expense on financial liabilities at amortised cost		
Term loans	422.85	651.28
Working capital	555.46	699.25
Others	306.07	473.34
Lease liability	5.62	5.78
Other borrowing cost	526.69	282.29
Total	1,816.69	2,111.94

38. Depreciation and amortisation expense

Depreciation on property, plant and equipment (Refer note 3)	2,147.83	1,948.49
Depreciation on right to use assets (Refer note 5)	7.73	10.17
Amortisation on intangible assets (Refer note 6)	182.11	158.84
Total	2,337.67	2,117.50

39. Other expenses

Labour charges	5,582.18	4,972.41
Power and fuel	2,518.01	2,370.32
Repair and maintenance		
- Buildings	136.44	177.59
- Plant and machinery	249.35	200.02
- Others	134.84	113.00
Stores and spares consumption	1,116.21	450.70
Drawing and design charges	342.98	643.93
Technical and supervisory services	207.86	250.60
Rent	64.02	12.25
Insurance	67.13	43.47
Rates and taxes	86.36	284.06
Travelling and conveyance	365.61	151.99
Vehicle running	44.47	16.55
Printing and stationery	38.62	30.01
Freight and transport	985.91	933.18
Sales expenses	81.46	70.21
Security charges	187.08	155.55
Legal and professional	509.15	546.89
Director sitting fees (Refer note 46)	12.10	13.50
Allowance for doubtful advances (net)	-	1.09
Allowance for doubtful debts (net)	34.03	5.91
Bad debt written off	8.72	-
Provision for irrecoverable balance	8.89	-
Hiring charges	130.01	166.58
Advertisement and subscription	5.89	22.96
Auditors' remuneration	60.38	49.98
Corporate social responsibility expense	94.29	21.00
Deposits written off	-	251.62
Shunting charges	56.36	26.26
Membership	49.19	33.57
Loss on foreign exchange fluctuation (net)	-	7.31
Miscellaneous expenses	179.82	137.55
Total	13,357.37	12,160.06

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

40. Income tax

(a) Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current year expenses	-	-
Tax adjustment related to earlier years	-	26.74
Deferred tax	2,598.93	1,212.93
Income tax expense reported in the statement of profit and loss	2,598.93	1,239.67

(b) Non Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	138.41	138.41
Less: Refund received during the year	(7.60)	-
Add: Current taxes paid	80.55	-
Closing balance of non-current tax assets (net)	211.36	138.41

(c) Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	71.63	71.63
Less: Refund received during the year	(33.25)	-
Closing balance of non-current tax assets (net)	38.38	71.63

(d) 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 2022 and 31 March 2021:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/ (loss) before tax	7,564.42	6,579.30
Tax using the Company's domestic tax rate @ 34.944%	2,643.31	2,299.07
Tax effect of:		
Non-deductible expenses	38.68	57.51
Capital Gain on land revaluation	(59.53)	(79.32)
Others	(23.53)	(1,064.33)
Tax adjustment related to earlier years	-	26.74
	2,598.93	1,239.67

(e) Deferred tax assets/ liabilities

	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
Property, plant and equipment	(3,719.22)	(3,454.91)
Right of use assets	(38.31)	(41.01)
Borrowings	(4.41)	(2.35)
Total	(3,761.94)	(3,498.27)
Deferred tax assets		
Provision for gratuity and compensated absences	209.77	172.42
Provision for litigation	5.00	5.00
Unabsorbed depreciation	5,443.67	5,443.67
Business loss	315.40	2,691.93
Provision for inventory, trade receivables and other advances	468.07	464.83
Lease liabilities	14.80	14.95
Total	6,456.71	8,792.80
MAT Credit Entitlement	14.95	14.95
Net deferred tax assets/ (liabilities)	2,709.72	5,309.48

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

(f) Movement of temporary differences

Components of deferred tax assets and liabilities as at 31 March 2022 are as below:

Particulars	As at 31 March 2021	Recognised through profit and loss	Recognised through other comprehensive income	As at 31 March 2022
Property, plant and equipment	(3,454.91)	(264.31)	-	(3,719.22)
Right of use assets	(41.01)	2.70	-	(38.31)
Provision for gratuity and compensated absences	172.42	38.18	(0.83)	209.77
Borrowings	(2.35)	(2.06)	-	(4.41)
Unabsorbed depreciation	5,443.67	-	-	5,443.67
Business loss	2,691.93	(2,376.53)	-	315.40
Provision for trade receivables and other advances	464.83	3.24	-	468.07
Provision for litigation	5.00	-	-	5.00
MAT credit	14.95	-	-	14.95
Lease liabilities	14.95	(0.15)	-	14.80
Total	5,309.48	(2,598.93)	(0.83)	2,709.72

Components of deferred tax assets and liabilities as at 31 March 2021 are as below:

Particulars	As at 1 April 2020	Recognised through profit and loss	Recognised through other comprehensive income	As at 31 March 2021
Property, plant and equipment	(4,167.18)	712.26	-	(3,454.91)
Right of use assets	(14.00)	(27.01)	-	(41.01)
Provision for gratuity and compensated absences	105.36	41.83	25.23	172.42
Borrowings	(17.74)	15.39	-	(2.35)
Financial assets measured at amortised cost	(1.41)	1.41	-	-
Unabsorbed depreciation	5,443.67	-	-	5,443.67
Business loss	4,145.80	(1,453.87)	-	2,691.93
Provision for trade receivables and other advances	916.65	(451.82)	-	464.83
Provision for litigation	48.47	(43.47)	-	5.00
Preliminary expenses written off	7.45	(7.45)	-	-
MAT credit	14.95	-	-	14.95
Lease liabilities	15.15	(0.19)	-	14.95
Total	6,497.18	(1,212.93)	25.23	5,309.48

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

41. Segment reporting

A. Basis for segmentation

The Group is mainly engaged in the business of metal fabrication comprising load bodies for commercial vehicles and rail freight wagons and manufacturing of railway transportation equipments. 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 Group's revenue from operations is located in India only. Hence, no additional disclosure about geographical information has been given.

C. Major customers

Revenue from two customers (31 March 2021: three customers) have contributed in more than 10 percent of the total revenue amounting to INR 78,546.03 lakhs (31 March 2021: 72,362.84 lakhs).

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

42 Leases

Leases under Ind AS 116 for the year ended 31 March 2022

(i) The detail of the right-of-use assets held by the Company is as follows:

	Net carrying amount as at 31 March 2022	Net carrying amount as at 31 March 2021
Land	109.62	117.35
Total	109.62	117.35

(i) The detail of lease liability:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	42.79	44.87
Add: Interest expense accrued on lease liabilities	5.62	5.78
Less: Lease liabilities paid	6.06	7.86
Closing balance	42.35	42.79
Current	0.51	0.44
Non current	41.84	42.35

(ii) **Amount recognised in statement of profit and loss**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on leases liability	5.62	5.78
Depreciation on right-of-use assets	7.73	10.17
Expenses related to short term lease (included under other expenses)	64.02	12.25
	77.37	28.20

(iii) **Amount recognised in statement of cash flow**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Total cash outflow for leases	6.06	7.86
	6.06	7.86

(iv) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 13.20%

(v) **Lease - As a lessee**

	As at 31 March 2022	As at 31 March 2021
Payable within one year	6.06	6.06
Payable between one and five years	24.26	24.26
Payable later than five years	74.42	80.48
Less: financing component	(62.39)	(68.01)
	42.35	42.79

43. Contingent liabilities and commitments

A. Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
Income tax matters	682.30	604.61
Excise duty and service tax matters	2,061.49	2,061.49
Sales tax and entry tax matters	1,584.27	1,584.27
Total	4,328.06	4,250.37

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.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

B. Commitments

- a. Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 264.01 lakhs (31 March 2021: INR 1,236.33 lakhs).
- b. Other commitments:** The Group does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Lease commitments:** Refer note 42 in respect of commitment with regard to leases.

44. Earning per share

Basic and diluted earning/(loss) per share

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

	Unit	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/ (loss) after tax attributable to equity shareholders	(INR in lakhs)	4,967.58	5,339.96
Weighted average number of equity shares outstanding during the year	(in number)	387,447,419	357,641,653
Nominal value per share	INR	10.00	10.00
Basic and diluted earning/ (loss) per share	INR	1.28	1.49

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

45. Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of employee benefits as defined in the Standard are given below:

A. Defined contribution plans

The Group has recognised the following amounts in the statement of profit and loss:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's contribution to provident fund	47.10	55.33
Employer's contribution to employees' state insurance	17.53	13.97

B. Defined benefit plans

Gratuity:

The Group 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 Group 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.

(i) The following table set out the status of the defined benefit obligation

	31 March 2022	31 March 2021
Net defined benefit liability- gratuity	460.78	403.23
Total employee benefit liabilities		
Non current	300.79	296.55
Current	159.99	106.68

(ii) 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

	31 March 2022	31 March 2021
Balance at the beginning of the year	478.29	346.80
Benefits paid	(17.10)	(0.12)
Current service cost	58.82	40.93
Interest cost	26.44	20.17
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(32.70)	12.54
- experience adjustments	24.95	57.97
Balance at the end of the year	538.70	478.29

(iii) 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

	31 March 2022	31 March 2021
Balance at the beginning of the year	75.08	62.63
Contributions paid into the plan	10.00	10.00
Benefits paid	(6.36)	(0.12)
Interest income	4.55	4.26
Actual return on plan assets recognised in other comprehensive income	(5.35)	(1.69)
Balance at the end of the year	77.92	75.08

(iv) Expense recognized in profit or loss

	31 March 2022	31 March 2021
Current service cost	58.82	40.93
Interest cost	26.44	20.17
Interest income	(4.55)	(4.26)
Total	80.71	56.84

(v) Remeasurements recognized in other comprehensive income

	31 March 2022	31 March 2021
Actuarial loss on defined benefit obligation	(7.75)	70.51
Return on plan assets excluding interest income	5.35	1.69
Total	(2.40)	72.20

(vi) Actuarial assumptions

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

	31 March 2022	31 March 2021
Financial assumptions (p.a.)		
Discount rate	6.95%-7.25%	6.35%
Future salary growth	5%-7%	5%-7%
Retirement age	60 years	60 years
Demographic assumptions		
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

(vii) 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.

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Impact of change in discount rate		
Present value of obligation at the end of the year	538.70	478.29
- Impact due to increase of 0.50 %-1%	(18.94)	(17.90)
- Impact due to decrease of 0.50 %-1%	20.56	19.43
Impact of change in salary increase		
Present value of obligation at the end of the year	538.70	478.29
- Impact due to increase of 0.50 %-1%	19.08	17.67
- Impact due to decrease of 0.50 %-1%	(17.71)	(16.40)

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.

The Group expects to contribute INR 10 lakhs to the gratuity fund during financial year 2022-23.

(viii) 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:

	31 March 2022	31 March 2021
Year 1	181.44	11.89
Year 2	27.71	5.60
Year 3	27.15	10.19
Year 4	27.03	9.76
Year 5	43.84	4.80
Next 5 years	814.36	279.34

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:

(i) 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.

(ii) 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.

(iii) 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 Group 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.

D. Other long term benefits:

Compensated absences recognised in the Statement of profit and loss for the current year, under the employee cost in Note 36, is INR 59.50 lakhs (31 March 2021: INR 32.05 lakhs).

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

46. Related party disclosures:

A. Name and description of relationship of the related party

I. Joint Ventures

JWL Dako Cz India Limited
JWL Kovis (India) Private Limited

II. Entities over which significant influence is exercised by the company /key management personnel (either individually or with others)

Jupiter Forgings & Steel (P) Ltd.
Anish Consultants & Credits Pvt Ltd

III. Key managerial personnel

S. No.	Name	Designation
1	Mr Vivek Lohia	Managing Director
2	Mr Asim Ranjan Dasgupta	Whole Time Director
3	Mr Samir Kumar Gupta	Whole Time Director
4	Mr Vikash Lohia	Whole Time Director
5	Mr Abhishek Jaiswal	Whole Time Director & Chief Executive Officer
6	Mr Avinash Gupta	Non Executive Independent Director
7	Mr Prakash Yashwant Gurav	Non Executive Independent Director
8	Mr Manchi Venkatraja Rao	Non Executive Independent Director
9	Ms Vineeta Shriwani	Non Executive Independent Director
10	Mr Ganesan Raghuram	Non Executive Independent Director
11	Ms Madhuchandha Chatterjee	Non Executive Independent Director
12	Ms Chetna Gupta	Non Executive Independent Director *
13	Ms Siddhi Dhandharia	Non Executive Independent Director *
14	Mr Sanjiv Keshri	Chief Financial Officer
15	Mr Rajiv Kumar Tulsyan	Company Secretary *
16	Mr Amit Jain	Company Secretary (upto 13 February 2021)
17	Mr Deepesh Kedia	Company Secretary

* The independent directors and company secretary of erstwhile Jupiter Wagons Limited

IV. Relatives of Key managerial personnel (KMP)

S. No.	Name	Relation
1	Mr Murari Lal Lohia	Father of Mr Vivek Lohia
2	Ms Ritu Lohia	Wife of Mr Vivek Lohia
3	Murari Lal Lohia (HUF)	HUF

B. Transactions with related parties:

(i) Transactions during the year with joint ventures:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of raw materials and components		
JWL Dako Cz India Limited	12.57	-
Sale of raw material		
JWL Dako Cz India Limited	421.88	-
Sale of assets		
JWL Dako Cz India Limited	776.19	-
JWL Kovis (India) Private Limited	148.29	-
Rent received		
JWL Kovis (India) Private Limited	1.20	-
Investment made		
JWL Kovis (India) Pvt. Ltd.	613.55	-
Advance given		
JWL Dako Cz India Limited	531.83	364.02
JWL Kovis (India) Private Limited	510.62	74.35
Advance repaid		
JWL Kovis (India) Private Limited	510.38	72.51

(ii) Transactions during the year with key managerial personnel (KMP) and their relatives:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and bonus including contributions made to provident fund :		
Mr Vivek Lohia	366.98	240.00
Mr Vikash Lohia	122.11	84.00
Mr Asim Ranjan Dasgupta	12.04	10.51
Mr Samir Kr Gupta	7.46	6.60
Mr Abhishek Jaiswal	52.98	42.41
Mr Sanjiv Keshri	46.89	40.71
Mr Amit Jain (till 13 February 2021)	-	20.60
Mr Rajiv Kumar Tulsyan	21.56	17.57
Mr Deepesh Kedia	15.36	1.72
Ms Ritu Lohia	48.00	48.00

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Director sitting fees		
Mr Prakash Yashwant Gurav	2.40	3.70
Mr Manchi Venkatraja Rao	2.40	3.70
Ms Vineeta Sriwani	2.25	2.70
Mr Ganesan Raghuram	1.00	2.00
Ms Madhuchhandha Chatterjee	1.20	1.40
Mr Vivek Lohia	0.20	-
Ms Chetna Gupta	1.15	-
Ms Siddhi Dhandaria	1.50	-
Consultancy charges		
Mr Murari Lal Lohia	48.00	36.00
Rent paid		
Mr Murari Lal Lohia	24.00	-
Mr Vivek Lohia	1.80	1.80
Security deposit given		
Murari Lal Lohia (HUF)	-	81.00

* 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.

(iii) **Balances with related parties**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
JWL Dako Cz India Limited	421.88	-
Advances given		
JWL Dako Cz India Limited	1,097.92	566.10
JWL Kovis (India) Private Limited	2.08	-
Other receivable		
JWL Dako Cz India Limited	776.19	-
Security deposit		
Murari Lal Lohia (HUF)	182.40	182.40
Mr. Vivek Lohia	11.00	11.00
Advance against expenses		
Mr Murari Lal Lohia	2.99	2.99
Advances to employee		
Ms. Ritu Lohia	-	10.53
Mr. S.K. Gupta	4.57	3.55
Employee related payable		
Mr. Vivek Lohia	21.60	0.05
Mr. Vikash Lohia	40.54	0.01
Mr. Asim Ranjan Dasgupta	1.07	0.88
Mr. S.K. Gupta	0.67	0.58
Ms. Ritu Lohia	3.05	-
Sitting Fees Payable		
Ms. Chetna Gupta	0.45	-
Ms. Siddhi Dhandaria	0.50	-

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

47. 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 2022	As at 31 March 2021
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period.		
- Principal	526.79	438.49
- Interest	36.49	52.35
(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.	15.15	8.15
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period. (net off write backs)	36.49	52.35
(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.	-	-

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

48. 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 at 31 March 2022

Particulars	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	34.56	-	-	34.56	34.56	-	-
(ii) Bank balances	-	-	723.72	723.72	-	-	-
(iii) Loans	-	-	46.32	46.32	-	-	-
(iv) Other financial assets	-	-	276.07	276.07	-	-	-
Current							
(i) Trade receivables	-	-	7,098.61	7,098.61	-	-	-
(ii) Cash and cash equivalents	-	-	4,069.91	4,069.91	-	-	-
(iii) Bank balances other than (ii) above	-	-	2,819.69	2,819.69	-	-	-
(iv) Loans	-	-	55.84	55.84	-	-	-
(v) Other financial assets	-	-	2,475.78	2,475.78	-	-	-
Total	34.56	-	17,565.94	17,600.50	34.56	-	-
Financial liabilities							
Non-current							
(i) Borrowings	-	-	2,749.61	2,749.61	-	-	-
(ii) Lease liabilities	-	-	41.84	41.84	-	-	-
Current							
(i) Borrowings	-	-	11,125.25	11,125.25	-	-	-
(ii) Lease liabilities	-	-	0.51	0.51	-	-	-
(iii) Trade payables	-	-	14,368.58	14,368.58	-	-	-
(iv) Other financial liabilities	-	-	407.17	407.17	-	-	-
Total	-	-	28,692.96	28,692.96	-	-	-

(ii) As at 31 March 2021

Particulars	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	33.39	-	-	33.39	33.39	-	-
(ii) Bank balances	-	-	283.85	283.85	-	-	-
(iii) Loans	-	-	40.73	40.73	-	-	-
(iv) Other financial assets	-	-	243.01	243.01	-	-	-
Current							
(i) Trade receivables	-	-	7,212.19	7,212.19	-	-	-
(ii) Cash and cash equivalents	-	-	4,704.67	4,704.67	-	-	-
(iii) Bank balances other than (ii) above	-	-	2,431.28	2,431.28	-	-	-
(iv) Loans	-	-	61.43	61.43	-	-	-
(v) Other financial assets	-	-	1,952.31	1,952.31	-	-	-
Total	33.39	-	16,929.47	16,962.86	33.39	-	-
Financial liabilities							
Non-current							
(i) Borrowings	-	-	3,266.90	3,266.90	-	-	-
(ii) Lease liabilities	-	-	42.35	42.35	-	-	-
Current							
(i) Borrowings	-	-	10,458.79	10,458.79	-	-	-
(ii) Lease liabilities	-	-	0.44	0.44	-	-	-
(iii) Trade payables	-	-	14,150.46	14,150.46	-	-	-
(iv) Other financial liabilities	-	-	332.28	332.28	-	-	-
Total	-	-	28,251.22	28,251.22	-	-	-

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

- (i) The Group held the following assets and liabilities measured at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique
- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
 - Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
 - Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- (ii) The Group'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.
- (iii) The carrying amounts of loans, trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature.
- (iv) Investments in mutual funds are mandatorily classified as fair value through profit and loss.
- (v) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2022 and 31 March 2021.

b) Financial risk management

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk - Foreign exchange
- Market risk - Interest rate
- Market risk - Price risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group'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 Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(i) Credit risk

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

	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
Trade receivables	7,098.61	7,212.19
Loans	102.16	102.16
Other financial assets	2,751.85	2,195.32

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

Credit risk on cash and cash equivalents is limited as the Group 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 Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

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

	Gross carrying amount	
	<u>As at 31 March 2022</u>	<u>As at 31 March 2021</u>
1-180 days past due *	6,966.79	7,165.27
181 to 365 days past due	110.85	26.07
More than 365 days past due #	265.83	231.68
	<u>7,343.47</u>	<u>7,423.02</u>

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

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

Movement in the loss allowance in respect of trade receivables:

	<u>For the year ended 31 March 2022</u>	<u>For the year ended 31 March 2021</u>
Balance at the beginning of the year	210.83	1,506.67
Impairment loss recognised	34.03	5.91
Amount written off out of above	-	1,301.75
Balance at the end of the year	<u>244.86</u>	<u>210.83</u>

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(ii) Liquidity risk

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

The Group's finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date on undiscounted basis.

As at 31 March 2022	Contractual cash flows			
	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities				
Borrowings (including current maturities)	1,472.93	2,787.45	-	4,260.38
Lease liabilities	6.06	24.26	74.42	104.74
Current liabilities				
Borrowings	9,649.50	-	-	9,649.50
Trade payables	14,368.58	-	-	14,368.58
Other financial liabilities	403.22	-	-	403.22
Total	25,900.29	2,811.71	74.42	28,786.42

As at 31 March 2021	Contractual cash flows			
	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities				
Borrowings (including current maturities)	1,146.39	3,275.50	10.89	4,432.78
Lease liabilities	6.06	24.26	80.48	110.80
Current liabilities				
Borrowings	9,308.23	-	-	9,308.23
Trade payables	14,150.46	-	-	14,150.46
Other financial liabilities	320.35	-	-	320.35
Total	24,931.49	3,299.76	91.37	28,322.62

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(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: foreign currency risk, interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Foreign currency risk

i) Foreign currency risk in EURO:-

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	31 March 2022 INR	31 March 2021 INR
Financial assets	-	-
Financial liabilities	455.08	452.27
Net exposure to foreign currency risk (liabilities)	(455.08)	(452.27)

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated

Particulars	31 March 2022 INR	31 March 2021 INR
EURO sensitivity		
INR/EURO- increase by 5.59% (31 March 2021: 5.59%)*	(25.44)	(25.28)
INR/EURO- decrease by 5.59%(31 March 2021: 5.59%)*	25.44	25.28

* Holding all other variables constant

b. 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 Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

The Group's interest rate risk arises majorly from the term loans from banks/ financial institutions carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group'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 2022	As at 31 March 2021
Non-current borrowing (including current maturities)	4,225.36	4,417.46
Current borrowing	9,649.50	9,308.23
Total	13,874.86	13,725.69

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 remain constant.

	Profit or (loss)	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2022	138.75	(138.75)
For the year ended 31 March 2021	137.26	(137.26)

c. Price Risk

The Group does not have any financial instrument which exposes it to price risk.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

49. Capital management

For the purpose of the Group'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 Group's capital management is to maximise the shareholder value.

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group'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 year ended 31 March 2022.

	As at 31 March 2022	As at 31 March 2021
Borrowings (including current maturities and interest accrued)	13,878.80	13,737.62
Less : Cash and cash equivalent	(4,069.91)	(4,704.67)
Adjusted net debt (A)	9,808.89	9,032.95
Total equity (B)	68,269.30	63,300.15
Adjusted net debt to equity ratio (A/B)	14.37%	14.27%

Net debt reconciliation

	As at 31 March 2022	As at 31 March 2021
Current borrowings	9,649.50	9,308.23
Non-current borrowings (including current maturities and interest accrued)	4,229.30	4,429.39
Lease liability	42.35	42.79
Cash and cash equivalents	(4,069.91)	(4,704.67)
Net debt	9,851.24	9,075.74

Particulars	Current borrowings	Non-current borrowings (including current maturities and interest accrued)	Lease liability	Cash and cash equivalents	Total
Net debt as at 01 April 2020	10,637.15	7,247.34	44.87	1,747.71	16,181.65
Cash flows	(1,328.92)	(2,803.48)	(7.86)	2,956.96	(7,097.22)
Finance cost	1,172.59	651.28	5.78	-	1,829.65
Interest cost paid	(1,172.59)	(665.75)	-	-	(1,838.34)
Net debt as on 31 March 2021	9,308.23	4,429.39	42.79	4,704.67	9,075.74
Cash flows	341.27	(198.39)	(6.06)	(634.76)	771.58
Finance cost	861.55	422.83	5.62	-	1,290.00
Interest paid	(861.55)	(424.53)	-	-	(1,286.08)
Net debt as on 31 March 2022	9,649.50	4,229.30	42.35	4,069.91	9,851.24

Loan covenants

In case of variable rate borrowing facility availed by the Group, there are various financial covenants, i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to leverage, debt service coverage ratio and asset coverage ratio specified in the loan agreements. These covenants are monitored by the Group on a regular basis.

50 Financial ratios

Ratios	Measurement unit	Numerator	Denominator	As at	As at	Difference %	Remarks
				31 March 2022	31 March 2021		
				Ratio	Ratio		
Current ratio	in times	Total current assets	Current liabilities = Total current liabilities - current maturities of non current borrowings and lease liabilities	1.65	1.56	6%	Note (b) below
Debt-equity ratio	in times	Total debt [Non-current borrowings + Current borrowings]	Net equity = Total equity - capital reserve	0.21	0.22	(6%)	Note (b) below
Debt service coverage ratio	in times	Earnings before depreciation and amortisation and interest [Earnings = Profit after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	3.56	3.30	8%	Note (b) below
Return on equity ratio	(%)	Profit after tax	Average of total equity	7.47%	8.68%	(14%)	Note (b) below
Inventory turnover ratio	in times	Costs of materials consumed	Average inventories	3.18	3.46	(8%)	Note (b) below
Trade receivables turnover ratio	in times	Revenue from operations	Average trade receivables	16.47	18.15	(9%)	Note (b) below
Trade payables turnover ratio	in times	Purchases	Average trade payables	6.82	6.20	10%	Note (b) below
Net capital turnover ratio	in times	Revenue from operations	Working capital [Current assets - Current liabilities]	5.89	8.51	(31%)	Note (a) below
Net profit ratio	(%)	Profit after tax	Revenue from operations	4.21%	5.36%	(21%)	Note (b) below
Return on capital employed	(%)	PBIT = Profit before tax + finance cost	Capital employed [Total Equity - capital reserve+ non- current borrowing+ current borrowing]	11.67%	11.55%	1%	Note (b) below
Return on investment	(%)	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	NA	NA	NA	NA

Note 1

- (a) In the FY 20-21, there was an equity infusion of INR 8,500 lakhs from new shareholders to whom private placement was done by the erstwhile Jupiter Wagons Limited; this lead to increase in net working capital of the company and hence the variation in net capital turnover ratio.
- (b) Since the change in ratio is less than 25%, no explanation is required to be disclosed.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

51 Business combination effective from 01 October 2019

51.1 The Board of Directors of the Holding Company at its meeting held on 28 September 2020, had approved the Scheme of Amalgamation (“the Scheme”) of the Company (formerly known as Commercial Engineering and Body Builders Co Limited “CEBBCO”) with erstwhile Jupiter Wagons Limited (“erstwhile JWL”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Hon’ble National Company Law Tribunal, Kolkata Bench on 28 February 2022 and Hon’ble National Company Law Tribunal, Indore Bench on 13 May 2022 has pronounced the order approving the aforesaid Scheme of Amalgamation

Accordingly, the Holding Company has accounted for the merger using the acquisition method retrospectively for all the periods presented in the standalone financial results as prescribed in Ind AS 103 – Business Combination as reverse merger.

Pursuant to the order the effective date of the Scheme is 01 October 2019.

- The net assets of the identifiable assets acquired and the liabilities assumed, of the Holding Company (formerly known as CEBBCO), are fair valued on the effective date.
- The existing shareholding of the erstwhile JWL in CEBBCO, comprising equity shares 40,666,835 of INR 10 each and non-cumulative redeemable preference shares 6,748,229 of INR 100 each, stands cancelled.
- The name of the Holding Company (formerly known as CEBBCO) has changed to Jupiter Wagons Limited w.e.f. 25 May 2022.
- The previous periods' figures in standalone results have been accordingly restated from 1 October 2019. The result includes the impact of Amalgamation accounting adjustments in accordance with the applicable Ind AS.
- The financials issued under the name of Jupiter Wagons Limited [formerly Commercial Engineers & Body Builders Co Limited (“legal acquirer”)] represents the financials of erstwhile JWL (accounting acquirer) except for capital structure; it reflects the assets and liabilities at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to former CEBBCO.

51.2 Details in respect of business combination is provided below:

No. Particulars	Amount
A. Consideration transferred	
(i) Fair Value of equity shares of CEBBCO before business combination	13,109.21
Total consideration (A)	13,109.21
B. Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition	
Assets	
(i) Property, plant and equipment	11,278.44
(ii) Right of use assets	128.75
(iii) Capital work-in-progress	226.46
(iv) Customer relationships identified	1,336.46
(v) Other intangible assets	24.60
(vi) Non-current investments	0.10
(vii) Loans (non-current)	55.50
(viii) Deferred tax assets (net)	10,256.52
(ix) Non-current tax assets (net)	9.96
(x) Other non current assets	2,746.52
(xi) Inventories	2,314.34
(xii) Trade receivables (current)	1,264.54
(xiii) Cash and cash equivalents	267.53
(xiv) Other bank balances	294.69
(xv) Loans (current)	247.94
(xvi) Other financial assets (current)	9.25
(xvii) Other current assets	967.77
(xviii) Assets held for sale	99.50
Total assets acquired (a)	31,528.87
Liabilities	
(i) Long term borrowings	2,646.09
(ii) Lease liabilities (non-current)	43.34
(iii) Other financial liabilities (non-current)	5.10
(iv) Long term provisions	24.84
(v) Other non-current liabilities	2,600.38
(vi) Short term borrowings	137.29
(vii) Trade payables	2,125.84
(viii) Other financial liabilities (current)	497.31
(ix) Other current liabilities	1,064.71
(x) Short term provisions	205.60
(xi) Current tax liabilities (net)	241.78
Total liabilities acquired (b)	9,592.28
Net assets recognised pursuant to the Scheme (a-b) (B)	21,936.59
C. Gain on bargain purchase (B-A)	8,827.38

Gain on bargain purchase represents excess of identifiable net-assets acquired over the fair value of consideration transferred. Gain on bargain purchase is recognised in the capital reserve under equity. The acquisition date fair value of accounting acquiree’s identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Company.

The scheme is effective from 01 October 2019. The previous and current year financial statements presented above includes full year operations of former Commercial Engineers & Body Builders Co Limited and erstwhile Jupiter Wagons Limited.

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

52 Group Information

Consolidated financial statements comprises the financial statements of Jupiter Wagons Limited, its partnership firms, joint ventures and subsidiary as listed below:

S.No	Name of Entity	Principal activities	Country of Incorporation	Proportion of ownership (%) as at 31 March 2022	Proportion of ownership (%) as at 31 March 2021
I	Subsidiaries				
1	Habitation Realestate LLP	Letting out of property	India	90.00%	90.00%
2	Jupiter Electric Mobility Private Limited (w.e.f. 11 November 2021)	Manufacturer of electrical vehicle	India	50.00%	-
II	Joint Ventures				
1	JWL Dako Cz India Limited	Manufacturing and sale of wagons components	India	50.00%	50.00%
2	JWL Kovis (India) Pvt Ltd	Manufacturing and sale of wagons components	India	50.00%	50.00%

53 Information about Joint ventures**(I) Summarised financial information related to joint ventures that is immaterial to the Group-**

The group has interest in a number of individually immaterial joint ventures that are accounted for using the equity method:

Particulars	Immaterial joint ventures	
	31 March 2022	31 March 2021
Aggregate carrying amount of individually immaterial associates	767.29	170.03
Aggregate amount of the group's share of:		
Profit/(loss) from continuing operations	(31.02)	(7.19)
Other comprehensive income	-	-
Total comprehensive income	(31.02)	(7.19)

(This space has been left blank intentionally)

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts in INR in lakh unless otherwise stated)

II i) Additional information as required by General Instructions for Preparation of Consolidated Financial Statements for the year ended 31 March 2022

Name of Group Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	% of Consolidation	Amount	% of Consolidation	Amount	% of Consolidation	Amount	% of Consolidation
Parent								
Jupiter Wagons Limited	68,332.11	100.07%	5,003.07	100.76%	1.57	100.00%	5,004.63	100.76%
Subsidiaries								
Habitation Realestate LLP	190.51	0.28%	(2.97)	(0.06%)	-	-	(2.97)	(0.06%)
Jupiter Electric Mobility Private Limited	(2.58)	(0.00%)	(3.58)	(0.07%)	-	-	(3.58)	(0.07%)
Joint Venture (Investment as per the equity method)								
JWL Dako Cz India Limited	(21.86)	(0.03%)	(14.73)	(0.30%)	-	-	(14.73)	(0.30%)
JWL Kavis (India) Pvt Ltd	(0.06)	(0.00%)	(16.29)	(0.33%)	-	-	(16.29)	(0.33%)
Non-controlling interest								
Inter Group elimination	17.76	0.03%	(2.09)	(0.04%)	-	-	(2.09)	(0.04%)
	(228.81)	(0.35%)	2.09	0.04%	-	-	2.09	0.04%
Total	68,287.06	100.00%	4,965.49	100.00%	1.57	100.00%	4,967.06	100.00%

ii) Additional information as required by General Instructions for Preparation of Consolidated Financial Statements for the year ended 31 March 2021

Name of Group Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	% of Consolidation	Amount	% of Consolidation	Amount	% of Consolidation	Amount	% of Consolidation
Parent								
Jupiter Wagons Limited	63,327.48	100.01%	5,350.08	100.19%	(46.97)	100.00%	5,303.11	100.19%
Subsidiaries								
Habitat Real Estate LLP	193.48	0.31%	(3.25)	(0.06%)	-	-	(3.25)	(0.06%)
Joint Venture (Investment as per the equity method)								
JWL Dako Cz India Limited	(5.57)	-0.01%	(1.62)	(0.03%)	-	-	(1.62)	(0.03%)
JWL Kavis (India) Pvt Ltd	(0.06)	0.00%	(5.57)	(0.10%)	-	-	(5.57)	(0.11%)
Non-controlling interest								
Inter Group elimination	19.35	0.03%	(0.33)	(0.01%)	-	-	(0.33)	(0.01%)
	(215.17)	(0.34%)	0.33	0.01%	-	-	0.33	0.01%
Total	63,319.50	100.00%	5,339.63	100.00%	-46.97	100%	5,292.66	100.00%

Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)
Consolidated Significant accounting policies and other explanatory information as at and for the year ended 31 March 2022
(All amounts are in INR lakhs, unless otherwise stated)

54. Other Statutory Information

- a. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b. The Group does not have any transactions with struck off companies.
- c. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Group has not received any fund from any person or entity), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- g. The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- h. The Group has complied with the number of layers prescribed under the Companies Act, 2013.

55. Previous year figures have been regrouped / reclassified to confirm to the current year's classification.

For **Walker Chandio & Co LLP**
 Chartered Accountants
 Firm's Registration No.: 0010769/N500013

For and on behalf of the Board of Directors of
Jupiter Wagons Limited (Formerly Commercial Engineers and Body Builders Co Limited)

Nikhil Vaid
 Partner
 Membership No.: 213356

Place: Hyderabad
 Date: 30 May 2022

Vivek Lohia
 Managing Director
 DIN: 00574035

Place: Kolkata
 Date: 30 May 2022

Sanjiv Keshri
 Chief Financial Officer

Place: Kolkata
 Date: 30 May 2022

Abhishek Jaiswal
 Whole Time Director
 DIN: 07936627

Place: Jabalpur
 Date: 30 May 2022

Deepesh Kedia
 Company Secretary
 Membership No.:34616

Place: Jabalpur
 Date: 30 May 2022

Walker Chandiook & Co LLP
7th Floor, Block III,
White House, Kundan Bagh,
Begumpet,
Hyderabad 500 016,
India

T +91 40 6630 8200
F +91 40 6630 8230

Independent Auditor's Report

To the Members of Commercial Engineers and Body Builders Co Limited

Report on the Audit of the Financial Statements

Opinion

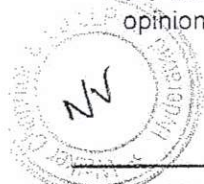
1. We have audited the accompanying financial statements of Commercial Engineers and Body Builders Co Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

4. 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.



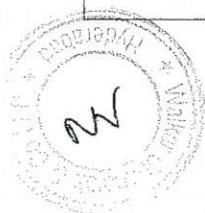
Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>Revenue of the Company consists primarily from the business of metal fabrication comprising load bodies for commercial vehicles and rail freight wagons, which is recognized in accordance with the accounting policy as described in Note 2.2 (e) to the accompanying financial statements. Refer note 29 for the revenue recognised during the year.</p> <p>Owing to the multiplicity of the Company's products which require compliance with varied customer specifications and diverse terms of contracts with customers in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention.</p> <p>Further, Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), requires management to make certain key judgements, such as, determination of transaction price for the contract factoring in variable consideration on account of price adjustment clauses in the agreements with customers.</p> <p>Revenue is recognised at a point in time when the control over the goods is transferred to the customer which is primarily upon delivery of goods as per terms of the contract with customers. The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue and thus, the timing of revenue recognition is important as there is a risk of revenue being recorded before control is transferred.</p> <p>Considering the materiality of amounts involved and above complexities, revenue recognition has been considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of revenue transactions of the Company and related process. Accordingly, we assessed the appropriateness of the Company's revenue recognition policy, including those relating to price adjustments, in accordance with the requirements of Ind AS 115; • Assessed the design and tested the operating effectiveness of Company's manual and automated controls around revenue recognition; • On a sample basis, tested the revenue transactions recorded during the year and revenue transactions recorded before and after year-end with supporting documents such as invoices, agreements/ purchase order, dispatch memos, fit-to-run memoranda issued by railway authorities etc., to ensure revenue is recognised in the correct period with correct amounts; • On a sample basis, tested the debit and credit notes issued post invoicing and tested year-end accruals, made on account of price adjustment clauses included in the terms of the agreements with the customers; • Performed substantive analytic procedures which included review of price and product mix variances; and • Assessed the adequacy and appropriateness of the disclosures made in the financial statements with respect to revenue recognition in accordance with the accounting standards.



Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 the 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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 auditor's 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 Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing, 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;



Chartered Accountants

Walker Chandniok & Co LLP

- 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 made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - 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.
12. 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.
13. 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.
14. 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 auditor's 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.

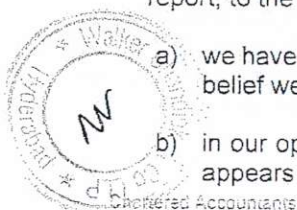
Other Matter

15. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 22 July 2020.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India 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.
17. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- 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;



Walker Chandiook & Co LLP

- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 31 March 2021 as per Annexure B expressed an unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 41 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 21213356AAAACT8388



Place: Hyderabad

Date: 12 June 2021

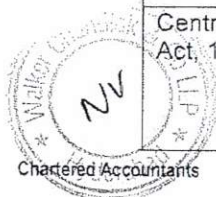
Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Commercial Engineers and Body Builders Co Limited, on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax and duty of excise on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount of (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise Duty	14.37	-	April 2009 - June 2009	Assistant Commissioner of Customs, Central Excise and Service Tax, Jabalpur



Walker Chandiook & Co LLP

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.11	-	May 2015 – December 2015	Assistant Commissioner of Customs, Central Excise and Service Tax, Jabalpur
Central Excise Act, 1944	Excise Duty	2,047.00	-	July 2008 – August 2009	High Court, Madhya Pradesh
Madhya Pradesh Commercial Tax Act, 1994	Value Added Tax	64.41	18.03	F Y 2007-08	Deputy Commissioner, Commercial Tax, Jabalpur
Madhya Pradesh Commercial Tax Act, 1994	Value Added Tax	63.35	17.78	F Y 2008-09	Deputy Commissioner, Commercial Tax, Jabalpur
Madhya Pradesh Commercial Tax Act, 1994	Value Added Tax	1,406.50	-	F Y 2012-13	Supreme Court
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	30.89	8.65	F Y 2009-10	Deputy Commissioner, Commercial Tax, Jabalpur
Central Sales Tax Act, 1956	Central Sales Tax	11.02	3.09	F Y 2007-08	Deputy Commissioner, Commercial Tax, Jabalpur
Central Sales Tax Act, 1956	Central Sales Tax	1.98	0.50	F Y 2010-11	Assistant Commissioner, Commercial Tax, Jabalpur
Central Sales Tax Act, 1956	Central Sales Tax	6.11	2.81	F Y 2012-13	Additional Commissioner, Commercial Tax, Jabalpur
Central Sales Tax Act, 1956	Central Sales Tax	8.34	0.83	F Y 2015-16	Additional Commissioner, Commercial Tax, Jabalpur
Central Sales Tax Act, 1956	Central Sales Tax	5.98	2.00	F Y 2016-17	Additional Commissioner, Commercial Tax, Jabalpur
Income Tax Act, 1956	Income Tax	9.96	9.96	A.Y. 2011-12	Commissioner of Income Tax (Appeal) Kanpur
Income Tax Act, 1956	Income Tax	594.65	-	A.Y. 2013-14	High Court, Allahabad

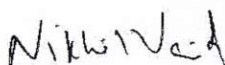


Chartered Accountants

Walker Chandiook & Co LLP

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 21213356AAAACT8388



Place: Hyderabad
Date: 12 June 2021

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Commercial Engineers and Body Builders Co Limited on the financial statements for the year ended 31 March 2021

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

1. In conjunction with our audit of the financial statements of Commercial Engineers and Body Builders Co Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes 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.
5. 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 .



Chartered Accountants

Walker Chandiook & Co LLP

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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

7. 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.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, 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 issued by the ICAI.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 21213356AAAAC8388



Place: Hyderabad

Date: 12 June 2021

Commercial Engineers & Body Builders Co Limited
Balance Sheet as at 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,275.56	10,948.72
Capital work-in-progress	3	587.87	555.39
Right-of-use assets	4	114.15	120.87
Intangible assets	5	99.47	35.54
Intangible assets under development	6	18.75	19.50
Financial assets			
(i) Investments	7	68.51	-
(ii) Bank balances	8	4.11	-
(iii) Loans	9	49.79	56.10
Non-current tax assets (net)		21.51	21.51
Other non-current assets	10	254.10	187.61
Total non-current assets		12,493.82	11,945.24
Current assets			
Inventories	11	5,905.39	4,757.01
Financial assets			
(i) Trade receivables	12	4,697.87	1,110.56
(ii) Cash and cash equivalents	13	598.80	282.05
(iii) Bank balances other than (ii) above	14	327.18	168.25
(iv) Loans	15	201.93	199.43
(v) Other financial assets	16	995.21	41.03
Current tax assets (net)		71.32	73.63
Other current assets	17	564.24	1,312.46
Total current assets		13,361.94	7,944.42
Assets held for sale	18	70.00	99.50
Total assets		25,925.76	19,989.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8,948.27	8,948.27
Other equity	20	1,790.42	595.93
Total equity		10,738.69	9,544.20
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	2,988.51	2,690.01
(ii) Lease liabilities		42.35	42.78
(iii) Other financial liabilities	22	-	5.10
Provisions	23	170.07	124.98
Total non-current liabilities		3,200.93	2,862.87
Current liabilities			
Financial liabilities			
(i) Borrowings	24	2,590.14	2,083.55
(ii) Lease liabilities		0.44	0.39
(iii) Trade payables	25		
(a) Total outstanding dues of micro and small enterprises		490.84	71.98
(b) Total outstanding dues of creditors other than micro and small enterprises		5,870.84	3,368.74
(iv) Other financial liabilities	26	591.28	452.31
Other current liabilities	27	2,390.79	1,453.34
Provisions	28	51.81	151.78
Total current liabilities		11,986.14	7,582.09
Total equity and liabilities		25,925.76	19,989.16

See accompanying notes to the financial statements

As per our report of even date attached

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 0010769/N500013

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

Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 12 June 2021

Prakash Yashwant Gurav
Director
(DIN: 02004317)
Place: Pune
Date: 12 June 2021

Sanjiv Keshri
Chief Financial Officer

Place: Kolkata
Date: 12 June 2021

Abhishek Jaiswal
Whole Time Director &
Chief Executive Officer
(DIN: 07936627)
Place: Jabalpur
Date: 12 June 2021

Deepesh Kedia
Company Secretary
(CS Membership No.:34616)

Place: Jabalpur
Date: 12 June 2021

Commercial Engineers & Body Builders Co Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	29	36,346.39	12,574.39
Other income	30	108.01	329.35
Total income		36,454.40	12,903.74
Expenses			
Cost of materials consumed	31	29,666.25	12,072.33
Changes in inventories of work-in-progress and scrap	32	(230.12)	(2,090.02)
Employee benefits expense	33	1,247.56	901.98
Finance costs	34	690.54	617.17
Depreciation and amortisation expense	35	862.82	831.74
Other expenses	36	2,974.30	1,481.41
Total expenses		35,211.35	13,814.61
Profit/ (loss) before exceptional items and tax		1,243.05	(910.87)
Exceptional items - gain	37	-	655.12
Profit/ (loss) before tax		1,243.05	(255.75)
Tax expense			
Current tax		-	-
Tax adjustment related to earlier years	38	12.70	(241.78)
Profit/ (loss) after tax		1,230.35	(13.97)
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to profit and loss			
- Remeasurements of the defined benefit plans (net of taxes)		(35.86)	(27.37)
Total Other Comprehensive Loss for the year		(35.86)	(27.37)
Total Comprehensive Income/ (Loss) for the year		1,194.49	(41.34)
Earnings/ (Loss) per equity share			
Basic and diluted earnings/ (loss) per equity share [Nominal value of INR 10 per share (Previous year INR 10 per share)]	42	1.37	(0.02)

See accompanying notes to the financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 0010769/N500013

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

Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 12 June 2021

Prakash Yashwant Gurav
Director
(DIN: 02004317)
Place: Pune
Date: 12 June 2021

Sanjiv Keshri
Chief Financial Officer

Place: Kolkata
Date: 12 June 2021

Abhishek Jaiswal
Whole Time Director & Chief
Executive Officer
(DIN: 07936627)
Place: Jabalpur
Date: 12 June 2021

Deepesh Kedia
Company Secretary
(CS Membership No.:34616)

Place: Jabalpur
Date: 12 June 2021

Commercial Engineers & Body Builders Co Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital

	<u>Amount</u>
Balance as at 1 April 2019	8,948.27
Changes during the year	-
Balance as at 31 March 2020	8,948.27
Changes during the year	-
Balance as at 31 March 2021	<u><u>8,948.27</u></u>

B. Other equity

	Equity component of compound financial instrument	Reserve and surplus					Total
		General reserve	Capital reserve	Securities premium	Deemed contribution by shareholders	Retained earnings	
Balance as at 1 April 2019	899.34	9.80	8.72	12,837.80	3,983.11	(17,101.50)	637.27
Loss for the year	-	-	-	-	-	(13.97)	(13.97)
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(27.37)	(27.37)
Transfer to capital reserve pursuant to forfeiture (Refer note 19)	(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
Profit for the year	-	-	-	-	-	1,230.35	1,230.35
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(35.86)	(35.86)
Balance as at 31 March 2021	-	9.80	908.06	12,837.80	3,983.11	(15,948.35)	<u><u>1,790.42</u></u>

See accompanying notes to the financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 0010769/N500013

Nikhil Vaid

Partner

Membership No.: 213356

Place: Hyderabad

Date: 12 June 2021

For and on behalf of the Board of Directors of

Commercial Engineers & Body Builders Co Limited

Prakash Yashwant Gurav

Director

(DIN: 02004317)

Place: Pune

Date: 12 June 2021

Sanjiv Keshri

Chief Financial Officer

Place: Kolkata

Date: 12 June 2021

Abhishek Jaiswal

Whole Time Director & Chief Executive Officer

(DIN: 07936627)

Place: Jabalpur

Date: 12 June 2021

Deepesh Kedia

Company Secretary

(CS Membership No.:34616)

Place: Jabalpur

Date: 12 June 2021

Commercial Engineers & Body Builders Co Limited
Cash flow statement for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit/(Loss) before tax	1,243.05	(255.75)
Adjustments for :		
Depreciation and amortisation expense	862.82	831.74
Profit on sale of property, plant and equipment	-	(0.92)
Profit on disposal of asset held for sale	(3.25)	-
Provision for doubtful advances	1.09	32.31
Provision for doubtful debt	5.91	-
Fair value loss on financial assets	0.04	-
Investment written off	-	0.10
Liabilities / provisions no longer required written back	(86.27)	(279.37)
Exceptional items	-	(655.12)
Interest income	(15.20)	(47.99)
Dividend income	(0.48)	-
Finance costs	690.54	617.17
Cash flows from operating activities before working capital changes	2,698.25	242.17
Changes in assets and liabilities		
(Increase) in inventories	(1,148.38)	(3,312.58)
(Increase)/decrease in trade receivables, financial assets and other assets	(3,727.88)	2,682.01
Increase/(decrease) in trade payables, financial liabilities and other liabilities	3,909.11	(1,133.21)
(Decrease)/increase in provisions	(12.55)	55.48
Cash generated from/(used in) operations	1,718.55	(1,466.13)
Income-taxes paid (net of refund)	(10.39)	(8.59)
Net cash generated from/ (used) in operating activities (A)	1,708.16	(1,474.72)
Cash flow from investing activities		
Purchases of property, plant and equipment (net)	(1,414.41)	(1,220.64)
Investment in bank deposits (having original maturity more than 3 months)	(163.04)	(80.99)
Investment in shares of other entity	(35.12)	-
Investment in mutual fund	(33.44)	-
Interest received	12.41	47.25
Dividend income	0.48	-
Net cash used in investing activities (B)	(1,633.12)	(1,254.38)
Cash flow from financing activities		
Proceeds from short term borrowings (net)	506.59	1,621.00
Proceeds from long term borrowings	500.00	-
Repayment of long term borrowings	(184.22)	(285.24)
Repayment of lease liabilities	(6.06)	(6.06)
Finance cost paid	(574.60)	(621.22)
Net cash generated from financing activities (C)	241.71	708.48
Net cash flows [increase/ (decrease)] during the year (A+B+C)	316.75	(2,020.62)
Cash and cash equivalents at the beginning of the year	282.05	2,302.67
Cash and cash equivalents at the end of the year	598.80	282.05
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	338.72	10.55
- Cash credit accounts	259.04	261.27
Cash and gold coins on hand	1.04	10.23
Cash and cash equivalents at the end of the year	598.80	282.05

See accompanying notes to the financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants
Firm's Registration No.: 0010769/N500013

Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 12 June 2021

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

Prakash Yashwant Gurav
Director
(DIN: 02004317)
Place: Pune

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

Sanjiv Keshri
Chief Financial Officer

Deepesh Kedia
Company Secretary
(CS Membership No.:34616)

Place: Kolkata
Date: 12 June 2021

Place: Jabalpur

Commercial Engineers & Body Builders Co Limited
 Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
 (All amounts are in INR lakhs, unless otherwise stated)

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

	Freehold land	Leasehold land	Buildings	Plant and equipment	Electrical installation	Vehicles	Office equipment	Furniture and fixtures	Computer	Total	Capital work-in-progress
Gross carrying amount											
As at 1 April 2019	1,743.52	97.41	5,513.31	6,330.77	224.93	9.83	10.27	13.96	13.25	13,957.25	13.01
Add: Additions made during the year	-	-	37.30	494.95	2.77	5.27	6.80	15.98	12.91	575.98	982.83
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	-	5,550.61	6,825.72	227.70	15.10	16.61	29.94	26.16	14,435.36	555.39
Add: Additions made during the year	11.52	-	29.35	1,092.36	-	-	16.42	6.82	6.40	1,162.87	772.99
Less: Disposals/ adjustments during the year	-	-	-	-	-	-	-	-	-	-	740.51
Balance as at 31 March 2021	1,755.04	-	5,579.96	7,918.08	227.70	15.10	33.03	36.76	32.56	15,598.23	587.87
Accumulated depreciation											
Balance as at 1 April 2019	-	13.30	733.06	1,818.34	100.16	8.64	3.09	6.07	6.17	2,688.83	-
Add: Depreciation expense for the year	-	-	233.23	535.20	32.60	0.90	4.41	1.68	3.55	811.57	-
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	132.76	9.54	7.04	7.75	9.72	3,486.64	-
Add: Depreciation expense for the year	-	-	231.83	554.53	30.99	0.86	4.23	4.28	9.31	836.03	-
Less: Disposals/ adjustments during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	1,198.12	2,908.07	163.75	10.40	11.27	12.03	19.03	4,322.67	-
Net carrying amount											
As at 31 March 2021	1,755.04	-	4,381.84	5,010.01	63.95	4.70	21.76	24.73	13.53	11,275.56	587.87
As at 31 March 2020	1,743.52	-	4,584.32	4,472.18	94.94	5.56	9.57	22.19	16.44	10,948.72	555.39

Notes:

- a) For details of assets pledged/ hypothecated as securities, refer note 21 and 24.
 b) Refer note 41 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

4. Right-of-use assets

	<u>Leasehold land</u>	<u>Total</u>
Gross carrying amount		
Balance as at 1 April 2019	-	-
Addition on account of transition to Ind AS 116 "Leases"	97.41	97.41
Add: Additions during the year	43.51	43.51
Less: Adjustments during the year	-	-
Balance as at 31 March 2020	140.92	140.92
Add: Additions during the year	-	-
Less: Adjustments during the year	-	-
Balance as at 31 March 2021	140.92	140.92
Accumulated amortisation		
Balance as at 1 April 2019	-	-
Addition on account of transition to Ind AS 116 "Leases"	13.30	13.30
Add: Depreciation expense for the year	6.75	6.75
Less: Adjustments during the year	-	-
Balance as at 31 March 2020	20.05	20.05
Add: Depreciation expense for the year	6.72	6.72
Less: Adjustments during the year	-	-
Balance as at 31 March 2021	26.77	26.77
Net book value		
As at 31 March 2021	114.15	114.15
As at 31 March 2020	120.87	120.87

5. Intangible assets

	<u>Software</u>	<u>Total</u>
Gross carrying amount		
Balance as at 1 April 2019	39.60	39.60
Add: Additions during the year	20.10	20.10
Less: Adjustments during the year	-	-
Balance as at 31 March 2020	59.70	59.70
Add: Additions during the year	84.00	84.00
Less: Adjustments during the year	-	-
Balance as at 31 March 2021	143.70	143.70
Accumulated amortisation		
Balance as at 1 April 2019	10.74	10.74
Add: Amortisation expense for the year	13.42	13.42
Less: Adjustments during the year	-	-
Balance as at 31 March 2020	24.16	24.16
Add: Amortisation expense for the year	20.07	20.07
Less: Adjustments during the year	-	-
Balance as at 31 March 2021	44.23	44.23
Net book value		
As at 31 March 2021	99.47	99.47
As at 31 March 2020	35.54	35.54

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

6. Intangible assets under development

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	19.50	19.50
Add: Additions made during the year	64.25	-
Less: Capitalised during the year	65.00	-
Balance at the end	18.75	19.50

7. Investments

	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss		
Unquoted		
Mutual funds		
Aditya Birla Sun Life low duration fund - reinvestment [Units: 32,577.031 (31 March 2020: Nil)]	33.39	-
Equity investment carried at fair value through other comprehensive income		
Unquoted		
JWL Kovis (India) Private Limited [351,200 (31 March 2020: Nil) equity shares of INR 10 each, fully paid up]	35.12	-
Total	68.51	-

Note:

- (i) Aggregate carrying value and market value of unquoted investments 68.51 -
(ii) Aggregate amount of impairment in the value of investments - -
(iii) Mutual funds are under lien against borrowing from financial institution.

8. Bank balances

	As at 31 March 2021	As at 31 March 2020
Fixed deposits with maturities more than 12 months	4.11	-
Total	4.11	-

Note:

Deposits include INR 4.11 lakhs (31 March 2020: Nil) being fixed deposits held as security against bank guarantee.

9. Loans

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	49.79	56.10
Total	49.79	56.10

10. Other non-current assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Statutory dues paid under protest (refer note 41 (A))	50.89	83.74
Capital advances	197.23	97.61
Prepaid expenses	5.98	6.26
Unsecured, considered doubtful		
Capital advances	16.00	17.75
	270.10	205.36
Less: Provision for doubtful capital advances	16.00	17.75
Total	254.10	187.61

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

11. Inventories

	As at 31 March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw material (including goods in transit: INR 35.27 Lakhs (31 March 2020 : Nil))	2,734.17	1,885.10
Work in progress	2,957.06	2,765.30
Stores and spares	138.28	69.09
Scrap	75.88	37.52
Total	5,905.39	4,757.01

Note:

- (i) During the year ended 31 March 2021, an amount of INR 36.54 Lakhs (31 March 2020:INR (107.01 Lakhs)) was recognised as an expense / (reversal) for inventories carried at net realisable value.

12. Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	4,697.87	1,110.56
Unsecured, considered doubtful	210.83	1,506.67
	4,908.70	2,617.23
Less : Loss allowance for trade receivables	210.83	1,506.67
	4,697.87	1,110.56
Total	4,697.87	1,110.56

Note:

- (i) **Movements in allowance for credit losses of receivables is as below:**

	As at 31 March 2021	As at 31 March 2020
Opening balance	1,506.67	1,506.67
Add: Allowance made during the year	5.91	-
Less: Write off during the year	1,301.75	-
Closing balance	210.83	1,506.67

- (ii) **Break up of security details**

	As at 31 March 2021	As at 31 March 2020
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	4,697.87	1,110.56
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	210.83	1,506.67
Total	4,908.70	2,617.23
Loss allowance	210.83	1,506.67
Total	4,697.87	1,110.56

13. Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	338.72	10.55
- In cash credit accounts	259.04	261.27
Cash and gold coins on hand	1.04	10.23
Total	598.80	282.05

14. Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Fixed deposits with maturities less than 12 months (Refer note below)	327.18	168.25
Total	327.18	168.25

Note:

Deposits include INR 327.18 lakhs (31 March 2020: INR 168.25 lakhs) being fixed deposits held as margin money or security against bank guarantees.

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

15. Loans

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	192.85	192.85
Loans to employees (including accrued interest)	9.08	6.58
Total	201.93	199.43

Note:

(i) **Break up of security details**

	As at 31 March 2021	As at 31 March 2020
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	201.93	199.43
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total	201.93	199.43
Loss allowance	-	-
Total	201.93	199.43

16. Other financial assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Contract assets (Unbilled revenue)	988.66	23.69
Interest accrued on term deposits	6.55	3.76
Other receivables	-	13.58
Unsecured, considered doubtful		
Inter corporate deposits (refer note (ii) below)	1,000.00	1,000.00
	1,995.21	1,041.03
Less: Loss allowance for inter corporate deposits	1,000.00	1,000.00
Total	995.21	41.03

(i) **Movements in allowance for credit losses of Inter corporate deposits is as below:**

	As at 31 March 2021	As at 31 March 2020
Opening balance	1,000.00	1,000.00
Add: Allowance measured at expected credit losses	-	-
Less: Utilisation during the year	-	-
Closing balance	1,000.00	1,000.00

(ii) "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 2021. 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.

17. Other current assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Advance to suppliers	160.20	614.86
Balance with statutory/government authorities	20.40	302.19
Statutory dues paid under protest (refer note 41 (A))	2.81	2.81
Prepaid expenses	20.39	18.86
Sales tax incentive receivable	360.44	373.74
Unsecured, considered doubtful		
Advance to suppliers	40.38	39.29
Provident fund receivable	63.00	63.00
	667.62	1,414.75
Less: Provision for doubtful advances	40.38	39.29
Less: Provision for provident fund receivable	63.00	63.00
Total	564.24	1,312.46

18. Assets held for sale

	As at 31 March 2021	As at 31 March 2020
Plant and equipment	70.00	99.50
Total	70.00	99.50

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

21. Borrowings

	As at 31 March 2021	As at 31 March 2020
Secured loans		
Term loans from banks	1,607.87	1,854.35
Term loans from financial institutions	418.93	-
Unsecured		
Liability component of compound financial instrument 0.001% Preference shares (Refer note 19(b))	961.71	835.66
	2,988.51	2,690.01
Add: Current maturities of non-current borrowings		
Secured loans		
Term loans from banks	267.41	202.04
Term loans from financial institutions	78.51	-
Total	3,334.43	2,892.05

Repayment terms and security disclosure for the outstanding non-current borrowings:

Terms of Borrowings	Security	Terms of Repayment	As at 31 March 2021	As at 31 March 2020
(I) Axis Bank Limited Rupee term loan of INR 1,875.28 Lakhs (net of processing fees) (31 March 2020: INR 2,056.39 lakh) has interest rate linked to 1 year MCLR, with reset of spread on upgradation of external credit rating, current carrying interest @ 10.70% (31 March 2020: 13.20%).	Primary: i. First charge on the entire fixed assets, both movables and immovables, present and future. ii. Second charge on the entire current assets including receivables, present and future. iii. Non-disposal undertaking of 51% shares of promoters in the Company.	Repayable in 29 structured quarterly installments starting from 31 March 2019.	1,875.28	2,056.39
(II) Aditya Birla Finance Limited Rupee term loan of INR 497.44 Lakhs (net of processing fees) (31 March 2020: NIL) has interest rate linked to Long Term Reference Rate - Spread. Current carrying interest of 11.50% (31 March 2020: NIL).	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 60 equal monthly installments starting from 01 May 2021.	497.44	-

22. Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposits	-	5.10
Total	-	5.10

Note:

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in note 46.

23. Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Refer note 43)		
- Gratuity	127.01	74.38
- Compensated absences	43.06	50.60
Total	170.07	124.98

24. Borrowings

	As at 31 March 2021	As at 31 March 2020
Secured loans		
From banks		
Cash credit facilities	1,714.60	1,598.21
Unsecured loans		
From bank		
Bill discounting	875.54	485.34
Total	2,590.14	2,083.55

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

(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.

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).

- (ii) Interest rate on cash credit facilities and bill discounting ranges from 10.85% to 11.55% (31 March 2020: 10.70% to 11.70%) and 7.00% to 8.80% (31 March 2020: 9.20%) respectively.

25. Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro and small enterprises (Refer note 45)	490.84	71.98
Total outstanding dues of creditors other than micro and small enterprises	5,870.84	3,368.74
Total	6,361.68	3,440.72

26. Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Capital creditors	80.72	118.75
Interest accrued and not due on borrowings	4.52	20.87
Current maturities of long term borrowings (Refer note 21)	345.92	202.04
Deposits from contractors and others	16.69	13.42
Employee benefits payable	143.43	97.23
Total	591.28	452.31

27. Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers	2,006.91	1,261.03
Statutory dues payable	250.03	47.00
Interest accrued on statutory dues	6.55	18.01
Other liabilities	127.30	127.30
Total	2,390.79	1,453.34

28. Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Refer note 43)		
- Compensated absences	37.49	7.09
Provision for litigations	14.32	144.69
Total	51.81	151.78

Movement in provision for litigations

	As at 31 March 2021	As at 31 March 2020
Opening balance	144.69	138.71
Add: Provision recognised during the year	-	5.98
Less: Reversal/ utilisation during the year	(130.37)	-
Closing balance	14.32	144.69

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

19. Share capital

Authorised share capital

	Equity shares		Preference shares*	
	Number of shares	Amount	Number of shares	Amount
As at 31 March 2019	9,20,50,000	9,205.00	88,00,000	8,800.00
Increase during the year	-	-	-	-
As at 31 March 2020	9,20,50,000	9,205.00	88,00,000	8,800.00
Increase during the year	29,00,00,000	29,000.00	-	-
As at 31 March 2021	38,20,50,000	38,205.00	88,00,000	8,800.00

* This includes 2,000,000 (31 March 2020: 2,000,000) 0.00001% Preference shares amounting to INR 2,000 lakhs (31 March 2020: INR 2,000 lakhs) and 6,800,000 (31 March 2020: 6,800,000) 0.001% Preference shares amounting to INR 6,800 lakhs (31 March 2020: INR 6,800 lakhs).

Issued equity share capital

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

	Number of shares	Amount
As at 31 March 2019	8,94,82,657	8,948.27
Increase during the year	-	-
As at 31 March 2020	8,94,82,657	8,948.27
Increase during the year	-	-
As at 31 March 2021	8,94,82,657	8,948.27

0.00001% Preference shares

Equity component of preference shares of INR 100 each (Refer note below)

	Issued		Subscribed	
	Number of shares	Amount	Number of shares	Amount
As at 31 March 2019	20,00,000	899.34	20,00,000	899.34
Transfer to capital reserve pursuant to forfeiture	-	(899.34)	(20,00,000)	(899.34)
As at 31 March 2020	20,00,000	-	-	-
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2021	20,00,000	-	-	-

Notes:

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	8,94,82,657	8,948.27	8,94,82,657	8,948.27
Add: shares issued during the year	-	-	-	-
At the end of the year	8,94,82,657	8,948.27	8,94,82,657	8,948.27

0.00001% Preference shares of INR 100 each

	As at 31 March 2021	As at 31 March 2020
	Number of shares	Amount
At the commencement of the year	-	20,00,000
Add: shares issued during the year for cash	-	-
Less: shares forfeited during the year	-	20,00,000
At the end of the year	-	-

0.001% Preference shares of INR 100 each

	As at 31 March 2021	As at 31 March 2020
	Number of shares	Amount
At the commencement of the year	67,48,229	6,748.23
Add: shares issued during the year for cash	-	-
At the end of the year	67,48,229	6,748.23

During previous year, the Company had forfeited 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 shown as liability component of financial instruments as per the requirement of Ind AS 109 on 30 June 2019. Pursuant to the forfeiture, the Company had recognized a gain of INR 655.12 Lakhs as exceptional item in the statement of profit and loss.

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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.

0.001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry preferential dividend of 0.001% per annum. These are redeemable on completion of 5,887 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 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of INR 10 each fully paid held by				
Jupiter Wagons Limited	4,06,66,835	45.45%	4,06,66,835	45.45%
Axis Bank Limited	83,49,158	9.33%	83,49,158	9.33%
Tatravagonka, AS	68,00,518	7.60%	68,00,518	7.60%
Tata Capital Growth Fund (I)	48,65,636	5.44%	53,39,136	5.97%
Murari Lal Lohia-HUF	45,33,678	5.07%	45,33,678	5.07%
Preference shares of INR 100 each fully paid held by				
Jupiter Wagons Limited	67,48,229	100%	67,48,229	100%

d) There were no allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years.

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

20. Other equity

	Note	As at 31 March 2021	As at 31 March 2020
General reserve	A	9.80	9.80
Capital reserve	B	908.06	908.06
Securities premium	C	12,837.80	12,837.80
Deemed contribution by shareholders	D	3,983.11	3,983.11
Retained earnings	E	(15,948.35)	(17,142.84)
Total		1,790.42	595.93
		As at	As at
		31 March 2021	31 March 2020
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		908.06	8.72
Add: Addition during the year		-	899.34
Balance at the end of the year		908.06	908.06
C. Securities premium			
Balance as at the beginning of the year		12,837.80	12,837.80
Balance at the end of the year		12,837.80	12,837.80
D. Deemed contribution by shareholders			
Balance as at the beginning of the year		3,983.11	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		(17,142.84)	(17,101.50)
Add: Profit/ (loss) for the year		1,230.35	(13.97)
Items of other comprehensive (expense) / income recognised directly in retained earnings			
Remeasurement of post employment benefit obligation, net of tax		(35.86)	(27.37)
Balance at the end of the year		(15,948.35)	(17,142.84)
Total other equity		1,790.42	595.93

Nature and purpose of reserve

i. General reserve

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

ii. Capital reserve

During the previous year, pursuant to forfeiture of 0.0001% 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 FY 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 earlier year, pursuant to restructuring of loans, INR 3,983.11 Lakhs had been waived off by the lenders against pledge of equity shares of shareholders. Hence, the same had been considered as deemed contribution by them.

v. Retained earnings

Retained earnings represents the accumulated profits / losses made by the Company over the years.

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

29. Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Sale of load bodies and components	35,995.42	12,354.67
Sale of services		
Job work charges	5.07	1.53
Other operating revenue		
Sale of scrap	345.63	162.43
Sales tax incentive received	-	53.18
Others	0.27	2.58
Total	36,346.39	12,574.39

Notes:

(i) Contract balances

	As at 31 March 2021	As at 31 March 2020
Trade receivables	4,697.87	1,110.56
Unbilled revenue	988.66	23.69

30. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- Deposits with banks	12.05	43.28
- Deposits with others	3.15	4.71
Provisions/liabilities no longer required, written back	86.27	279.37
Profit on sale of property, plant and equipment	-	0.92
Profit on disposal of asset held for sale	3.25	-
Miscellaneous income	3.29	1.07
Total	108.01	329.35

31. Cost of materials consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials, stores and spares at the beginning of the year	1,954.19	731.62
Add: Purchases	30,549.24	13,294.90
	32,503.43	14,026.52
Less: Raw material, stores and spares at the end of the year (excludes goods in transit: INR 35.27 Lakhs (31 March 2020 : Nil))	2,837.18	1,954.19
Total	29,666.25	12,072.33

32. Changes in inventories of work-in-progress and scrap

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock		
Work-in-progress	2,765.30	681.08
Scrap	37.52	31.72
Total	2,802.82	712.80
Closing stock		
Work-in-progress	2,957.06	2,765.30
Scrap	75.88	37.52
Total	3,032.94	2,802.82
Total	(230.12)	(2,090.02)

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

33. Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	1,101.57	801.79
Contribution to provident and other funds	48.89	27.99
Staff welfare expenses	97.10	72.20
Total	1,247.56	901.98

34. Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities at amortised cost		
Term loans	259.32	286.96
Working capital	172.58	52.98
Others	35.66	52.70
Interest on preference shares	126.05	114.07
Other borrowing cost	96.93	110.46
Total	690.54	617.17

35. Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	836.03	811.57
Depreciation on right to use assets	6.72	6.75
Amortisation on intangible assets	20.07	13.42
Total	862.82	831.74

36. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Labour charges	1,839.97	545.86
Power and fuel	307.55	221.30
Repair and maintenance		
- Buildings	7.65	16.44
- Plant and machinery	70.38	128.94
- Others	49.31	29.49
Rent	2.28	3.01
Auditors' remuneration		
As auditors:		
- Audit fee	9.00	9.50
- Limited review fee	10.50	7.50
- Out-of-pocket expenses	0.82	5.97
In other manner:		
-Certification and other services	3.61	-
Insurance	16.21	11.15
Rates and taxes	185.90	47.68
Postage and telephone expenses	8.12	8.47
Travelling and conveyance	48.33	53.24
Vehicle running	16.55	22.86
Printing and stationery	1.62	9.84
Freight and transport	18.00	10.28
Security charges	87.87	73.81
Legal and professional	183.95	142.01
Director sitting fees	13.50	6.10
Allowance for doubtful advances (net)	1.09	32.31
Allowance for doubtful debts (net)	5.91	-
Miscellaneous expenses	86.18	95.65
Total	2,974.30	1,481.41

37. Exceptional item

	For the year ended 31 March 2021	For the year ended 31 March 2020
Forfeiture of preference shares (Refer note 19)	-	655.12
Total	-	655.12

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

38. Income tax

A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current year expenses	-	-
Tax adjustment related to earlier years	12.70	(241.78)
Income tax expense reported in the statement of profit and loss	12.70	(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 2021 and 31 March 2020:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/ (loss) before tax	1,243.05	(255.75)
Tax using the Company's domestic tax rate @ 26%	323.19	(66.49)
Tax effect of:		
Non-deductible expenses	345.89	88.96
Non-taxable income	(730.48)	(170.33)
Unrecognised tax losses	61.39	141.21
Others	-	6.65
Tax adjustment related to earlier years	12.70	(241.78)
	12.70	(241.78)

C. Deferred tax assets/ liabilities

As at 31 March 2021, the Company has unabsorbed depreciation and business losses under the provisions of the Income-tax Act, 1961. Consequent to the provisions of Ind AS 12 - "Income Taxes", in the absence of reasonable certainty of taxable profits in future years, deferred tax assets have not been recognised. The Company reassess the Unrecognised deferred tax assets at each reporting period.

Deferred tax assets and liabilities are attributable to the following:

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
Property, plant and equipment	(150.62)	(50.23)
Right of use assets	(29.68)	(31.43)
Borrowings	(1,507.37)	-
Total	(1,687.67)	(81.66)
Deferred tax assets		
Provision for gratuity and compensated absences	53.97	42.40
Provision for litigation	3.72	-
Unabsorbed depreciation	4,131.32	4,244.79
Business loss	3,087.53	3,087.53
Provision for inventory, trade receivables and other advances	393.55	678.48
Lease liabilities	11.12	11.22
Total	7,681.21	8,064.42
Reversal of deferred tax asset on account of uncertainty of realisation	5,993.54	7,982.76
Net deferred tax assets/ (liabilities)	-	-

D. Unused tax credits and other deductible temporary differences in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

Expire year	As at 31 March 2021		As at 31 March 2020	
	Gross amount	Unrecognised tax	Gross amount	Unrecognised tax
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	1,124.70	292.42
Unabsorbed depreciation				
Never expire	15,889.68	4,131.32	16,326.12	4,244.79
	27,764.81	7,218.84	28,201.24	7,332.31

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

39. Segment reporting

A. Basis for segmentation

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. sheet metal fabrication and bodybuilding is located in India only. Hence, no additional disclosure about geographical information has been given.

C. Major customers

Revenue from three customers (31 March 2020: three customers) have contributed in more than 10 percent of the total revenue amounting to INR 28,341.21 Lakhs (31 March 2020: 10,546.75 Lakhs).

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

40 Leases

Leases under Ind AS 116 for the year ended 31 March 2021

(i) The detail of lease liability:

	As at 31 March 2021	As at 31 March 2020
Opening balance	43.17	-
Recognised on adoption of Ind AS 116	-	43.51
Add: Interest expense accrued on lease liabilities	5.68	5.72
Less: Lease liabilities paid	6.06	6.06
Closing balance	42.79	43.17
Current	0.44	0.39
Non current	42.35	42.78

(ii) **Amount recognised in statement of profit and loss**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on leases liability	5.68	5.72
Depreciation on right-of-use assets	6.72	6.75
Expenses related to short term lease (included under other expenses)	2.28	3.01
	14.68	15.48

(iii) **Amount recognised in statement of cash flow**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	6.06	6.06
	6.06	6.06

(iv) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 13.20%

(v) **Lease - As a lessee**

	As at 31 March 2021	As at 31 March 2020
Payable within one year	6.06	6.06
Payable between one and five years	24.26	24.26
Payable later than five years	80.48	86.54
	110.80	116.86

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

41. Contingent liabilities and commitments

A. Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
Income tax matters	594.65	594.65
Excise duty and service tax matters	2,061.49	2,061.49
Sales tax and entry tax matters	1,584.27	1,584.27
Total	4,240.41	4,240.41

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 01 March 2020 to 31 March 2021 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 year ended 31 March 2020. Further, management also believes that the impact of the same on the Company will not be material.

The Company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statement.

B. Commitments

- a. Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 510.30 lakhs (31 March 2020: INR 484.05 lakhs).
- b. Other commitments:** The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.
- c. Lease commitments:** Refer note 40 in respect of commitment with regard to leases.

42. Earning per share

Basic and diluted earning/(loss) per share

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

	Unit	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/ (loss) after tax attributable to equity shareholders	(INR in lakhs)	1,230.35	(13.97)
Weighted average number of equity shares outstanding during the year	(in number)	8,94,82,657	8,94,82,657
Nominal value per share	INR	10.00	10.00
Basic and diluted earning/(loss) per share	INR	1.37	(0.02)

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

43. Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of employee benefits as defined in the Standard are given below:

A. Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Employer's contribution to provident fund	40.05	23.15
Employer's contribution to employees' state insurance	8.84	4.84

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.

(i) The following table set out the status of the defined benefit obligation

	31 March 2021	31 March 2020
Net defined benefit liability- Gratuity	127.01	74.38
Total employee benefit liabilities	127.01	74.38
Non current	-	-
Current	-	-

(ii) 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

	31 March 2021	31 March 2020
Balance at the beginning of the year	137.02	95.87
Benefits paid	(0.12)	(3.76)
Current service cost	21.97	11.53
Interest cost	9.06	7.22
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	11.10	10.94
- experience adjustments	23.08	15.22
Balance at the end of the year	202.11	137.02

(iii) 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

	31 March 2021	31 March 2020
Balance at the beginning of the year	62.64	47.74
Contributions paid into the plan	10.00	16.00
Benefits paid	(0.12)	(3.76)
Interest income	4.26	3.87
Actual return on plan assets recognised in other comprehensive income	(1.68)	(1.21)
Balance at the end of the year	75.10	62.64

(iv) Expense recognized in profit or loss

	31 March 2021	31 March 2020
Current service cost	21.97	11.53
Interest cost	9.06	7.22
Interest income	(4.26)	(3.87)
Total	26.77	14.88

(v) Remeasurements recognized in other comprehensive income

	31 March 2021	31 March 2020
Actuarial loss on defined benefit obligation	34.18	26.16
Return on plan assets excluding interest income	1.68	1.21
Total	35.86	27.37

(vi) Actuarial assumptions

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

	31 March 2021	31 March 2020
Financial assumptions (p.a.)		
Discount rate	6.35%	6.90%
Future salary growth	7.00%	7.00%
Retirement age	60 years	60 years
Demographic assumptions		
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

As at 31 March 2021, the weighted average duration of the defined benefit obligation was 10.45 years (Previous year : 10.15 years)

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

(vii) 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 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points)	64.95	86.10	56.03	69.79
Future salary growth (50 basis points)	85.98	64.97	69.74	56.00

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.

(viii) 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:

	31 March 2021	31 March 2020
Year 1	17.01	11.89
Year 2	12.22	5.60
Year 3	12.20	10.19
Year 4	6.42	9.76
Year 5	14.06	4.80
Next 5 years	395.39	279.34

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:

(i) 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.

(ii) 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.

(iii) 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.

D. Other long term benefits:

Compensated absences recognized in the Statement of profit and loss for the current year, under the employee cost in Note 33, is INR 31.06 lakhs (31 March 2020: INR 26.75 lakhs).

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

44. Related party disclosures:

A. Name and description of relationship of the related party

(i) Party in respect of which the Company is significant investee

Jupiter Wagons Limited

(ii) Key managerial personnel

S. No.	Name	Designation
1	Mr. Prakash Yashwant Gurav	Non Executive Independent Director
2	Mr. Manchi Venkatraja Rao	Non Executive Independent Director
3	Ms. Vineeta Shriwani	Non Executive Independent Director
4	Mr. Ganesan Raghuram (w.e.f 19 May 2020)	Non Executive Independent Director
5	Mrs. Madhuchhandha Chatterjee	Non Executive Director
6	Mr. Abhishek Jaiswal	Whole Time Director & Chief Executive Officer
7	Mr. Vivek Lohia (w.e.f.25 March 2021)	Non Executive Non Independent Director
8	Mr. Sanjiv Keshri	Chief Financial Officer
9	Mr. Amit Jain (till 13 February 2021)	Company Secretary
10	Mr. Deepesh Kedia (w.e.f.13 February 2021)	Company Secretary

B. Transactions with related parties:

(i) Party in respect of which the Company is significant investee

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of raw materials and components Jupiter Wagon Limited	4,278.83	1,530.17
Purchase of capital goods Jupiter Wagon Limited	-	350.49
Job work charges Jupiter Wagon Limited	349.21	151.75
Reimbursement of expenses incurred on behalf of the Company Jupiter Wagon Limited	-	20.67

(ii) Transactions with key management personnel

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Compensation of key management personnel Salaries and bonus including contributions made to provident fund :		
Mr. Abhishek Jaiswal	42.41	37.48
Mr. Sanjiv Keshri	40.71	26.25
Mr. Amit Jain	20.60	26.63
Mr. Deepesh Kedia	1.72	-
Total compensation paid to key management personnel	105.44	90.36

* 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.

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

(iv) Transactions with key management personnel other than above

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Director sitting fees		
Mr. Prakash Yashwant Gurav	3.70	2.25
Mr. Manchi Venkatraja Rao	3.70	2.25
Mrs. Vineeta Sriwani	2.70	1.60
Mr. Ganesan Raghuram	2.00	-
Mrs. Madhuchhandha Chatterjee	1.40	-
Total compensation paid to key management personnel	13.50	6.10

(v) Balances with related parties

Particulars	As at 31 March 2021	As at 31 March 2020
Party in respect of which the Company is a significant investee		
Trade payable		
Jupiter Wagons Limited	1,145.32	1,096.78
Total	1,145.32	1,096.78

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

	As at 31 March 2021	As at 31 March 2020
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period.		
- Principal	438.49	27.78
- Interest	52.35	44.20
(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.	8.15	14.54
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period.	52.35	44.20
(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.	-	-

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

46. 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 at 31 March 2021

Particulars	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	33.39	35.12	-	68.51	33.39	-	35.12
(ii) Bank balances	-	-	4.11	4.11	-	-	-
(iii) Loans	-	-	49.79	49.79	-	-	-
Current							
(i) Trade receivables	-	-	4,697.87	4,697.87	-	-	-
(ii) Cash and cash equivalents	-	-	598.80	598.80	-	-	-
(iii) Bank balances other than (ii) above	-	-	327.18	327.18	-	-	-
(iv) Loans	-	-	201.93	201.93	-	-	-
(v) Other financial assets	-	-	995.21	995.21	-	-	-
Total	33.39	35.12	6,874.89	6,943.40	33.39	-	35.12
Financial liabilities							
Non-current							
(i) Borrowings	-	-	2,988.51	2,988.51	-	-	-
(ii) Lease liabilities	-	-	42.35	42.35	-	-	-
(iii) Other financial liabilities	-	-	-	-	-	-	-
Current							
(i) Borrowings	-	-	2,590.14	2,590.14	-	-	-
(ii) Lease liabilities	-	-	0.44	0.44	-	-	-
(iii) Trade payables	-	-	6,361.68	6,361.68	-	-	-
(iv) Other financial liabilities	-	-	591.28	591.28	-	-	-
Total	-	-	12,574.40	12,574.40	-	-	-

(ii) As at 31 March 2020

Particulars	Carrying value				Fair value hierarchy		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) 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	-	-	452.31	452.31	-	-	-
Total	-	-	8,714.86	8,714.86	-	-	-

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

- (i) The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique
- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
 - Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
 - Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- (ii) 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.
- (iii) The carrying amounts of loans, trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature.
- (iv) Investments in mutual funds are mandatorily classified as fair value through profit and loss. Other investment has been made during the year and there is no material change in fair value as compared to investment made.
- (v) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2021 and 31 March 2020.

b) Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk - Foreign exchange
- Market risk - Interest rate
- Market risk - Price risk

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.

Commercial Engineers & Body Builders Co Limited
Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(i) Credit risk

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

	As at 31 March 2021	As at 31 March 2020
Trade receivables	4,697.87	1,110.56
Loans	251.72	255.53
Other financial assets	988.66	37.27

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

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

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

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

	Gross carrying amount	
	As at 31 March 2021	As at 31 March 2020
1-90 days past due *	4,676.28	1,001.28
91 to 180 days past due	26.19	108.45
More than 180 days past due #	206.23	1,507.50
	4,908.70	2,617.23

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

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

Movement in the loss allowance in respect of trade receivables:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	1,506.67	1,506.67
Impairment loss recognised	5.91	-
Amount written off out of above	(1,301.75)	-
Balance at the end of the year	210.83	1,506.67

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

b. Financial risk management (continued)

(ii) Liquidity risk

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

The Company's finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date on undiscounted basis.

As at 31 March 2021	Contractual cash flows			
	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities				
Borrowings (including current maturities and interest accrued)	599.36	2,384.78	154.51	3,138.65
0.001% Preference shares	-	-	6,748.23	6,748.23
Lease liabilities	-	24.26	80.48	104.74
Current liabilities				
Borrowings	2,590.14	-	-	2,590.14
Lease liabilities	6.06	-	-	6.06
Trade payables	6,361.68	-	-	6,361.68
Other financial liabilities	240.84	-	-	240.84
Total	9,798.08	2,409.04	6,983.21	19,190.33

As at 31 March 2020	Contractual cash flows			
	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities				
Borrowings (including current maturities and interest accrued)	427.40	1,988.40	473.96	2,889.76
0.001% Preference shares	-	-	6,748.23	6,748.23
Lease liabilities	-	24.26	86.54	110.80
Other financial liabilities	-	-	5.10	5.10
Current liabilities				
Borrowings	2,083.55	-	-	2,083.55
Lease liabilities	6.06	-	-	6.06
Trade payables	3,440.72	-	-	3,440.72
Other financial liabilities	229.40	-	-	229.40
Total	6,187.13	2,012.66	7,313.83	15,513.62

Commercial Engineers & Body Builders Co Limited**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021****(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: foreign currency risk, interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Foreign currency risk

Foreign 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. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

b. 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/ financial institutions 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 2021	As at 31 March 2020
Non-current borrowing (including current maturities)	3,138.65	2,889.76
Current borrowing	2,590.14	2,083.55
Total	5,728.79	4,973.31

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 remain constant.

	Profit or (loss)	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2021	57.29	(57.29)
For the year ended 31 March 2020	49.73	(49.73)

c. Price Risk

The Company is not exposed to significant price risk

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

47. 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 year ended 31 March 2021.

	As at 31 March 2021	As at 31 March 2020
Borrowings	5,971.88	5,039.64
Less : Cash and cash equivalent	(598.80)	(282.05)
Adjusted net debt (A)	5,373.08	4,757.59
Total equity (B)	10,738.69	9,544.20
Adjusted net debt to adjusted equity ratio (A/B)	50.03%	49.85%

Net debt reconciliation

	As at 31 March 2021	As at 31 March 2020
Current borrowings	2,590.14	2,083.55
Non-current borrowings (including current maturities and interest accrued)	3,338.95	2,912.92
Lease liability	42.79	43.17
Cash and cash equivalents	(598.80)	(282.05)
Net debt	5,373.08	4,757.59

Particulars	Current borrowings	Non-current borrowings (including current maturities and interest accrued)	Lease liability	Cash and cash equivalents	Total
Net debt as at 01 April 2019	462.55	3,840.11	-	2,302.67	1,999.99
Recognised on adoption of Ind AS 116	-	-	43.51	-	43.51
Cash flows	1,621.00	(285.24)	(6.06)	(2,020.62)	3,350.32
Forfeiture of preference shares	-	(645.45)	-	-	(645.45)
Finance cost	163.44	401.03	5.72	-	570.19
Interest cost paid	(163.44)	(397.53)	-	-	(560.97)
Net debt as on 31 March 2020	2,083.55	2,912.92	43.17	282.05	4,757.59
Cash flows	506.59	315.78	(6.06)	316.75	499.56
Finance cost	269.51	385.37	5.68	-	660.56
Interest paid	(269.51)	(275.12)	-	-	(544.63)
Net debt as on 31 March 2021	2,590.14	3,338.95	42.79	598.80	5,373.08

Loan covenants

In case of variable rate borrowing facility availed by the Company, there are various financial covenants, i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to leverage, debt service coverage ratio and asset coverage ratio specified in the loan agreements. These covenants are monitored by the Company on a regular basis.

Commercial Engineers & Body Builders Co Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2021

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

48. On account of the spread of COVID-19, the Government of India had imposed a complete nation-wide lockdown on 25 March 2020 leading to shut down of the Company's manufacturing facilities and logistics operations. Since then, the government of India has progressively relaxed lockdown conditions and has allowed most of the industries and businesses to resume operations in a phased manner. During the first quarter, the Company has resumed its manufacturing facilities and is currently in the process of further scaling up its operations. While the Company's operations were impacted from the lockdown, the management believes that the impact is temporary and the pandemic is not likely to have a material impact on the recoverability of the carrying value of its assets as at 31 March 2021. The management is continuously and closely monitoring the developments and possible effects that may result from the pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is still continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.
49. The Board of Directors of the Company at its meeting held on 28 September 2020, approved a Scheme of Amalgamation ("the Scheme") of the Company with Jupiter Wagons Limited ('JWL'). The Company had filed the same with stock exchanges and have received no objection / no adverse observation from NSE on 10 December 2020 and from BSE 14 December 2020. The Company has filed an application on 13 March 2021, before the National Company Law Tribunal (NCLT), Indore branch at Ahmedabad. The Scheme shall be effective post receipt of required approval from NCLT and accordingly, the financial statements currently do not reflect impact of the Scheme.
50. Previous year figures have been regrouped / reclassified to confirm to the current year's classification.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 0010769/N500013

For and on behalf of Board of Directors of
Commercial Engineers & Body Builders Co Limited

Nikhil Vaid
Partner
Membership No.: 213356

Place: Hyderabad
Date: 12 June 2021

Prakash Yashwant Gurav
Director
(DIN: 02004317)
Place: Pune
Date: 12 June 2021

Sanjiv Keshri
Chief Financial Officer

Place: Kolkata
Date: 12 June 2021

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer
(DIN: 07936627)
Place: Jabalpur
Date: 12 June 2021

Deepesh Kedia
Company Secretary
(CS Membership No.:34616)

Place: Jabalpur
Date: 12 June 2021

B S R & Co. LLP

Chartered Accountants

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

Telephone: +91 124 7191000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of Commercial Engineers and Body Builders Co Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Commercial Engineers and Body Builders Co Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

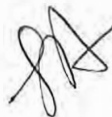
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



B S R & Co. is a Chartered Accountants firm with Registration No. CA/102/2010-2011 issued by ICAI. B S R & Co. LLP is a Limited Liability Partnership with LLP Registration No. AA-B-01511-2019-1901 from Gujarat on 14.04.19.

Registered Office
5th Floor, LodhaExcelus,
Apollo Mills Compound
N M Joshi Marg, Mahataxmi
Mumbai - 400 011.

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram
Date: 22 July 2020

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	2016-17 (CST)	5.98	2.00
Income Tax Act, 1956	Income Tax	CIT (Appeals), Kanpur	A.Y. 2011-12	9.96	9.96
		High Court, Allahabad	A.Y. 2013-14	594.65	-

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

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers. The Company did not have any loans or borrowings from financial institutions or government during the year and has not issued any debentures.
- (ix) Based on our examination of books of account and according to the information and explanations given to us, the Company has utilized all the money raised by way of term loans, for the purpose for which they were raised. Further, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).
- (x) Based on our examination of the books of account and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Gurugram
Date: 22 July 2020

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN No: 20095109AAAAEV7702

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

Shashank Agarwal
Partner
Membership No. 095109
ICAI UDIN No: 20095109AAAAEV7702

Place: Gurugram
Date: 22 July 2020

Commercial Engineers and Body Builders Co Ltd.
Balance Sheet as at 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,948.72	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 **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 22 July 2020

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

P.Y. Gurav
Director
(DIN: 02004317)

Place: Pune
Date: 22 July 2020

Abhishek Jaiswal
Whole Time Director & Chief
Executive Officer
(DIN: 07936627)
Place: Jabalpur
Date: 22 July 2020

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

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

Commercial Engineers and Body Builders Co Ltd.
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	28	12,574.39	21,579.96
Other income	29	329.35	75.91
Total income		12,903.74	21,655.87
Expenses			
Cost of materials consumed	30	12,072.33	18,045.82
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		(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

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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 22 July 2020

P.Y. Gurav
Director
(DIN: 02004317)

Place: Pune
Date: 22 July 2020

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

Place: Jabalpur
Date: 22 July 2020

Sanjiv Keshri
Chief Financial Officer
(CA Membership No.: 062281)

Place: Kolkata
Date: 22 July 2020

Amit Kumar Jain
Company Secretary
(CS Membership No.: 39779)

Place: Indore
Date: 22 July 2020

Commercial Engineers and Body Builders Co Ltd.
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2018	5,494.30
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 (a))	Reserve and surplus (1)					Items of other comprehensive income (1)	Total
		General reserve	Capital reserve	Securities Premium account	Deemed contribution by shareholders (Note 17)	Retained earnings	Remeasurement of defined benefit liability	
Balance as at 1 April 2018	899.34	9.80	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	637.27
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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 22 July 2020

P.Y. Gurav
Director
(DIN: 02004317)

Place: Pune
Date: 22 July 2020

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

Place: Jabalpur
Date: 22 July 2020

Sanjiv Keshri
Chief Financial Officer
(CA Membership No.: 062281)

Place: Kolkata
Date: 22 July 2020

Amit Kumar Jain
Company Secretary
(CS Membership No.: 39779)

Place: Indore
Date: 22 July 2020

Commercial Engineers and Body Builders Co Ltd.
Cash flow statement for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
(Loss) / profit before tax	(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	1,229.37
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)	(30.42)
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 **BSR & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership No.: 095109

P.Y. Gurav
Director
(DIN: 02004317)

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

Place: Gurugram
Date: 22 July 2020

Place: Pune
Date: 22 July 2020

Place: Jabalpur
Date: 22 July 2020

Sanjiv Keshri
(CA Membership No.: 062281)

Amit Kumar Jain
Company Secretary
(CS Membership No.: 39779)

Place: Kolkata
Date: 22 July 2020

Place: Indore
Date: 22 July 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.

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

Judgements

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

- Note 2.2 (m) - leases: whether an arrangement contains a lease
- Note 2.2 (m) - lease classification
- Note 2.2 (p)(i) - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 2.2 (g)(iii) and 40- measurement of defined benefit obligations: key actuarial assumptions
- Note 2.2 (b) - measurement of useful lives and residual values to property, plant and equipment
- Note 2.2 (c) - measurement of useful lives of intangible assets
- Note 1.2 (e) and 2.2 (p) - fair value measurement of financial instruments and impairment thereon
- Note 2.2 (k) and 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources
- Note 2.2 (f) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.2 (j) – impairment of non-financial assets

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financials assets, inventory, receivables, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

e) Measurement of fair values

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

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

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

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

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

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

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

2. Significant accounting policies

2.1 Change in significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for Ind AS 116 "Leases" applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and Appendix C, "Uncertainty over Income Tax Treatments" to Ind AS 12, "Income Taxes". As a result, the comparative information has not been restated which did not have any significant impact on the financial position or performance of the Company. Also refer to respective accounting policies for further details.

2.2 Summary of significant accounting policies

a) Current and non-current classification

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

Assets

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

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

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

Liabilities

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;

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

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

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

Operating cycle

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

b) Property, plant and equipment

Recognition and measurement

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

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

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

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

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

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

Subsequent expenditure

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

c) Intangible assets

Recognition and initial measurement

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

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

Subsequent expenditure

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

Amortisation

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

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

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

d) Inventories

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

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

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

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

e) Revenue recognition

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

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

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

Sale of goods

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

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional 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. 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.

Deferred tax

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

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

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

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

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

g) Employee benefits

i) Short-term benefits

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

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

ii) Defined contribution plans

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

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

The Company makes specific contributions to provident fund.

iii) Defined benefit plans

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

Gratuity

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

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

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

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

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

h) Foreign currency transactions and translation

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

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

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

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

i) Finance expense

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

j) Impairment of non-financial assets

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

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

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

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

k) Provisions and contingent liabilities

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

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

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

l) Borrowings and borrowing cost

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

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

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

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

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

m) Leases

MCA vide its notification dated 30 March 2019, notified Ind AS 116 “Leases” which is effective for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 replaces existing lease guidance Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company’s lease asset classes primarily consist of leases for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. 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 assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

n) Segment reporting

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

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

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

o) Government grant

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

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

p) Financial instruments

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

i) Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

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

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

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
---------------------------	--

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

Derecognition

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

Impairment

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

Write-off

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

ii) Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

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

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest

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

Derecognition

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

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

iii) Offsetting

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

q) Cash and cash equivalents

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

r) Assets held for sale

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

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

s) Exceptional items

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

t) Earnings per share

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

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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Balance as at 1 April 2018	1,743.52	97.41	5,413.92	8,003.41	9.83	9.74	237.03	15,514.86	198.44
Add: Additions made during the year	-	-	210.78	42.86	-	13.90	10.42	277.96	151.81
Less: Disposals/ adjustments during the year	-	-	4.98	1,821.91	-	0.12	8.56	1,835.57	337.24
Balance as at 31 March 2019	1,743.52	97.41	5,619.72	6,224.36	9.83	23.52	238.89	13,957.25	13.01
Add: Additions made during the year	-	-	37.30	494.91	5.27	19.71	18.75	575.94	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	6,719.27	15.10	42.77	257.64	14,435.32	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	-	-	233.24	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	-	-	966.30	2,353.51	9.53	16.76	140.50	3,486.60	-
Net carrying amount									
As at 31 March 2020	1,743.52	-	4,690.72	4,365.76	5.57	26.01	117.14	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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

4. Intangible assets and intangible assets under development

Particulars	Software	Total	Intangible assets under development
Gross carrying amount			
Balance as at 1 April 2018	7.48	7.48	-
Add: Additions during the year	32.12	32.12	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2019	39.60	39.60	-
Add: Additions during the year	20.10	20.10	19.50
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2020	59.70	59.70	19.50
Accumulated amortisation			
Balance as at 1 April 2018	7.48	7.48	-
Add: Amortisation expense for the year	3.26	3.26	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2019	10.74	10.74	-
Add: Amortisation expense for the year	13.42	13.42	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at 31 March 2020	24.16	24.16	-
Net book value			
As at 31 March 2020	35.54	35.54	19.50
As at 1 April 2019	28.86	28.86	-

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

5. Non-current financial assets- Investments

	As at 31 March 2020	As at 31 March 2019
Investments in equity shares (at fair value through Profit and Loss)		
Unquoted equity instruments		
Kailash Motors Private Limited		
Nil (Previous year: 1000) equity shares of face value of INR 10/- each, fully paid up	-	0.10
Total	-	0.10
Aggregate amount of non-current unquoted investments	-	0.10
Aggregate amount of impairment in the value of investments	-	-

6. Non-current financial assets- Loans

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	56.10	57.68
Total	56.10	57.68

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

7. Other non-current assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Statutory dues paid under protest (refer note 40 (A))	83.74	2,772.30
Capital advances	97.61	4.86
Prepaid expenses	6.26	7.26
Unsecured, considered doubtful		
Capital advances	17.75	17.75
	205.36	2,802.17
Less: Provision for doubtful capital advances	17.75	17.75
Total	187.61	2,784.42

8. Inventories*

Valued at lower of cost and net realisable value

	As at 31 March 2020	As at 31 March 2019
Raw material	1,885.08	659.66
Work in progress	2,765.32	681.09
Stores and spares	69.09	71.96
Scrap	37.52	31.72
	4,757.01	1,444.43

*During the year ended 31 March 2020, an amount of Nil (Previous year: INR 33.14 lakhs) was recognised as an expense for inventories carried at net realisable value.

9. Trade receivables

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	1,110.56	1,774.82
Unsecured, considered doubtful	1,506.67	1,474.36
	2,617.23	3,249.18
Less : Loss allowance for trade receivables (refer note 45(b))	1,506.67	1,474.36
	1,110.56	1,774.82
Total	1,110.56	1,774.82

The Company's exposure to credit and currency risks are disclosed in Note 45.

10. Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- On current accounts	10.55	2,300.39
- On cash credit accounts	261.27	-
Cash and gold coins on hand	10.23	2.28
Total	282.05	2,302.67

Information about Company's exposure to credit risks is disclosed in Note 45.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

11. Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Fixed deposits with bank*	168.25	87.26
Total	168.25	87.26

*Deposits include INR 168.25 lakhs (Previous year: INR 87.26 lakhs) being fixed deposits held as margin money or security against borrowings, guarantees and other commitments.

12. Current financial assets- Loans

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	192.85	242.93
Loans to employees (including accrued interest)	6.58	7.26
Total	199.43	250.19

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

13. Current financial assets - Others

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Unbilled revenue	23.69	179.49
Interest accrued on term deposits	3.76	3.02
Other receivables	13.58	4.95
Doubtful		
Inter corporate deposits (refer note 47)	1,000.00	1,000.00
	1,041.03	1,187.46
Less: Loss allowance for Inter corporate deposits	1,000.00	1,000.00
Total	41.03	187.46

Movement in expected credit loss allowance on Inter corporate deposits

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

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

14. Other current assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Advance to suppliers	614.86	89.25
Balance with statutory/government authorities	305.00	47.92
Prepaid expenses	18.86	12.98
Sales tax incentive receivable	373.74	320.55
Unsecured, considered doubtful		
Advance to suppliers	39.29	43.47
Provident fund receivable	63.00	63.00
	1,414.75	577.16
Less: Provision for doubtful advances	102.29	106.47
Total	1,312.46	470.70

15. Assets held for sale

	As at 31 March 2020	As at 31 March 2019
Plant & Machinery (Refer note 36)	99.50	102.00
Total	99.50	102.00

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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

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

	Number of shares	Amount
As at 31 March 2018	54,942,964	5,494.30
Increase/(Decrease) during the year	34,539,693	3,453.97
As at 31 March 2019	89,482,657	8,948.27
Increase/(decrease) during the year	-	-
As at 31 March 2020	89,482,657	8,948.27

Equity component of preference shares of INR 100 each issued*

	Number of shares	Amount
As at 31 March 2018	2,000,000	899.34
Increase/(decrease) during the year	-	-
As at 31 March 2019	2,000,000	899.34
Forfeiture during the year	(2,000,000)	(899.34)
As at 31 March 2020	-	-

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

Equity shares	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	89,482,657	8,948.27	89,482,657	8,948.27
Add: shares issued during the year	-	-	-	-
At the end of the year	89,482,657	8,948.27	89,482,657	8,948.27

0.00001% Preference shares of Rs.100 each

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	2,000,000	1,300.00	2,000,000	1,300.00
Add: shares issued during the year for cash	-	-	-	-
Less: shares forfeited during the year*	2,000,000	1,300.00	-	-
At the end of the year	-	-	2,000,000	1,300.00

0.001% Preference shares of Rs.100 each

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	6,748,229	6,748.23	-	-
Add: shares issued during the year as part satisfaction of outstanding debt	-	-	6,586,000	6,586.00
Add: shares issued during the year for cash	-	-	162,229	162.23
At the end of the year	6,748,229	6,748.23	6,748,229	6,748.23

*During the current year, the Company has forfeited the 0.00001% Non-Convertible Cumulative Redeemable Preference Shares due to non payment of unpaid calls. These preference shares were issued to erstwhile promoters in year 2014-15 amounting to INR 2,000 Lakhs of which only INR 1,300 Lakhs was paid up. Out of the paid up amount, INR 655.12 Lakhs was classified as liability component of compound financial instruments as under the requirement of Ind AS 109. Pursuant to the forfeiture, the Company has recognized a gain of INR 655.12 Lakhs as exceptional item in the statement of profit and loss account. Further INR 899.34 Lakhs which was lying in other equity as equity component of compound financial instrument transferred to capital reserve.

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

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

0.00001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry preferential dividend of 0.00001% per annum. These are redeemable only on completion of 10 years from the date of allotment and are non-transferable unless fully paid-up. (Refer Note 16(a)).

0.001% Preference shares: These are non-convertible, cumulative, redeemable and does not carry any voting rights. Preference shares carry coupon rate as 0.001% per annum. These are redeemable on completion of 5887 days from the date of issue.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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 Ltds	8,349,158	9.33%	8,349,158	9.33%
Tatragonka, AS	6,800,518	7.60%	6,800,518	7.60%
Tata Capital Growth Fund (I)	5,339,136	5.97%	5,592,461	6.25%
Murari Lal Lohia-HUF	4,533,678	5.07%	4,533,678	5.07%
0.00001% Preference shares of INR 100/- each not fully paid held by				
Dr. Kailash Gupta and Mrs. Rekha Gupta (Jointly)	-	-	2,000,000	100%
0.001% Preference shares of INR 100/- each fully paid held by				
Axis Bank Ltd	-	-	6,586,000	98%
Jupiter Wagons Ltd	6,586,000	98%	-	-

d) Details of call unpaid

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
0.00001% Preference shares				
Aggregate of calls unpaid				
- By Director/Promoter [refer note 16 (a)]	-	-	2,000,000	700.00

17. Other equity

	Note	As at	As at
		31 March 2020	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	As at
		31 March 2020	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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

18. Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured loans		
Term loans from banks	1,854.35	2,036.23
Unsecured		
Liability component of compound financial instrument (Refer note 16(a))	-	645.45
0.001% Preference shares (Refer note 16(b))	835.66	721.59
	2,690.01	3,403.27
Add: Current maturities of non-current borrowings:		
Secured loans		
Term loans from banks	202.04	285.24
Total non-current borrowings (including non-current maturities)	2,892.05	3,688.51

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

Particulars			As at 31 March 2020	As at 31 March 2019
Terms of Borrowings	Security	Terms of Repayment		
(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

	As at 31 March 2020	As at 31 March 2019
Security deposits	5.10	5.10
Total	5.10	5.10

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.

20. Non-current provisions

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

21. Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
Amount of duty refundable/ payable to customers*	-	2,856.17
Total	-	2,856.17

*Includes Nil (Previous year: INR 2,688.07 Lakhs) pursuant to the Rule 10(A) of Central Excise Rules, 2002 which was inserted vide Notification no. 9/2007-CE(N.T) dated 1st March, 2007, the Company has been availing Cenvat credit on chassis and has been paying Excise Duty on the Fully Built Vehicle (FBV) which was lying under "other non-current assets" as duty paid under protest on behalf of customer. The Company has opted Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 pursuant to which the amount payable to customer is also adjusted. (Refer note 40 (A))

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

22. Current financial liabilities - Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured loans		
From banks		
Cash credit facilities	1,598.21	-
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	2,083.55	462.55

(i) Nature of Security

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

Primary Security:

First pari -passu charge on the entire current assets of the Company, both present and future.

Collateral Security:

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

23. Current financial liabilities- Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of Micro and Small Enterprises (refer note 44)	27.78	166.69
Total outstanding dues of creditors other than Micro and Small Enterprises	3,412.94	2,363.72
Total	3,440.72	2,530.41

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.

Notes:

a) It includes trade payable to related parties of INR 1,059.77 Lakhs (Previous year: INR 69.01 Lakhs)

b) For terms and conditions of trade payables owing to related parties, refer note 43.

24. Other current financial liabilities

	As at 31 March 2020	As at 31 March 2019
Capital Creditors*	118.75	88.73
Interest accrued and due on borrowings	-	124.97
Interest accrued and not due on borrowings	20.87	26.63
Current maturities of long term borrowings (refer note 18)	202.04	285.24
Interest accrued on statutory dues	18.01	18.67
Deposits from contractors and others	13.42	11.59
Employee benefits payable	97.23	87.22
Total	470.32	643.05

The Company's exposure to interest rate, currency and liquidity risks related to above financial liabilities is disclosed in Note 45.

*Includes capital creditors to related parties of INR 37.01 Lakhs (Previous year: Nil)

25. Other current liabilities

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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
 (All amounts are in INR lakhs, unless otherwise stated)

26. Current provisions

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer note 42)		
- Gratuity	-	24.00
- Compensated absences	7.09	34.47
Provision for litigations	144.69	138.71
Total	151.78	197.18

Movement in provision for litigations

Opening balance	138.71	139.78
Add: Provision recognised during the year	5.98	-
Less: Utilisation during the year	-	(1.07)
Closing balance	144.69	138.71

27. Current tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Provision for income tax [net of advance income tax Nil (Previous year: INR 682.48 lakhs)]	-	241.78
Total	-	241.78

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

28. Revenue from operations	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Sale of load bodies and components	10,500.41	21,270.71
Sale of Wagons	1,854.26	-
Sale of services		
Job work charges	1.53	2.03
Other operating revenue		
Sale of scrap	162.43	282.18
Sales Tax Incentive	53.18	24.87
Others	2.58	0.17
Total	12,574.39	21,579.96
Product-wise particulars of sales		
Sale of load bodies	10,463.72	21,214.44
Sale of components	36.69	56.27
Sale of Wagons	1,854.26	-
	12,354.67	21,270.71
Contract Balances	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade receivables	1,110.56	1,774.82
Unbilled revenue	23.69	179.49
Reconciliation of revenue recognised with the contracted price is as follows	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	12,380.31	21,447.63
Reduction towards variable consideration components	(24.11)	(174.89)
Revenue recognised	12,356.20	21,272.74
The reduction towards variable consideration comprises of discounts etc.		
29. Other income	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- Deposits with banks	43.28	7.66
- Deposits with others	4.71	3.08
Provisions/liabilities no longer required, written back	279.38	63.22
Miscellaneous income	1.98	1.94
Total	329.35	75.91

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

30. Cost of materials consumed	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw materials at the beginning of the year	731.62	465.40
Add: Purchases	13,294.88	18,312.04
	14,026.50	18,777.44
Less: Raw material at the end of the year	1,954.17	731.62
Total cost of materials consumed	12,072.33	18,045.82
31. Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock		
Work-in-progress	681.10	439.74
Scrap	31.72	21.38
Total	712.82	461.11
Closing stock		
Work-in-progress	2,765.32	681.09
Scrap	37.52	31.72
Total	2,802.84	712.80
Total changes in inventories of finished goods and work-in-progress	(2,090.02)	(251.69)
32. Employee benefits expense	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages, bonus, gratuity and allowances	801.79	583.37
Contribution to provident and other funds	27.99	27.77
Staff welfare expenses	72.20	67.96
Total	901.98	679.10
Refer note 42 for disclosure on gratuity.		
33. Finance costs	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities at amortised cost	579.86	2,132.86
Interest expense on delay in deposit of TDS	-	18.08
Others	37.31	63.52
Total	617.17	2,214.45
34. Depreciation and amortisation expense	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment	811.57	1,034.65
Depreciation on right to use assets	6.75	-
Amortisation on intangible assets	13.42	3.26
Total	831.74	1,037.91

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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)	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'.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

37. Income tax

A. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 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	-14.44%	36.93	0.60%	52.89
Non-taxable income	66.60%	(170.33)	-34.95%	(3,099.59)
Unrecognised tax losses	-78.16%	199.89	8.36%	741.18
Effective tax rate	0.00%	-	0.00%	(0.00)

B. 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	(31.43)	-	7,982.77	7,841.56

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

C. 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

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

<u>Expire Year</u>	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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
 (All amounts are in INR lakhs, unless otherwise stated)

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
	<u>5.72</u>

Amount recognised in statement of cash flow

	For the year ended 31 March 2020
Total cash outflow for leases	5.40
	<u>5.40</u>

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 13.20%

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 in the financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised and exclusion of short-term leases for which the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, in measuring the lease liability in accordance with Ind AS 116

Leases under Ind AS 17 for the year ended 31 March 2019

Operating lease - As a lessee

Particulars	As at 31 March 2019
Payable within one year	5.40
Payable between one and five years	21.60
Payable later than five years	70.20
	<u>97.20</u>

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 related to Rule 10A matter	-	-
Other 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.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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. 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.

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 843.67 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.

5. Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

B. Commitments

i. **Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 484.05 lakhs (Previous year: INR 38.95 lakhs).

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

41. Earning per share

Basic and diluted earning/(loss) per share

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

Particulars	Unit	For the year ended 31 March 2020	For the year ended 31 March 2019
(loss)/profit after tax attributable to equity shareholders	(INR in lakhs)	(13.97)	8,867.38
Weighted average number of equity shares outstanding during the year	(in number)	89,482,657	61,472,385
Nominal value per share	INR	10.00	10.00
Basic and diluted earning/(loss) per share	INR	(0.02)	14.42

Reconciliation of weighted average number of equity shares for calculation of Basic and diluted earnings per share:

Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of INR 10 per share		
Balances as at 1 April 2018	54,942,964	54,942,964
Issued during the year 2018-19	34,539,693	6,529,421
Balance as at 31 March 2019	89,482,657	61,472,385
Issued during the year 20019-20	-	-
Balance as at 31 March 2020	89,482,657	89,482,657

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

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.

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

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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

43. Related party disclosures:

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

A. Name and description of relationship of the related party

Party in respect of which the Company is Significant investee

1. 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. Madhuchandha Chatterjee (w.e.f. 22 May 2019)	Non Executive Director
6	Mr. Abhishek Jaiswal	Executive Director/Chief Executive Officer
7	Mr. Kailash Gupta (upto 21 January 2019)	Non Executive Promoter Director
8	Mr. Sanjiv Keshri (w.e.f. 10 August 2019)	Chief Financial Officer
9	Mr. Amit Jain	Company Secretary

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

S.No.	Name
	Upto 21 January 2019
1	Commercial Motors Sales Private Limited
2	Commercial Automobiles Private Limited
3	Kailash Motors

B. Transactions with related parties:

Party in respect of which the Company is Significant investee

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of Raw Materials and Components		
Jupiter Wagon Limited	1,530.17	69.01
Purchase of Capital Goods		
Jupiter Wagon Limited	350.49	-
Job Work charges		
Jupiter Wagon Limited	151.75	-
Reimbursement of expenses		
Jupiter Wagon Limited	20.67	-

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of finished goods		
Commercial Automobiles Private Limited	-	766.66
Reimbursement of expenses		
Commercial Automobiles Private Limited	-	1.21
Commercial Motors Sales Private Limited	-	0.37
Kailash Motors	-	0.53
Payment against reimbursement of expenses received		
Commercial Motors Sales Private Limited	-	1.21
Commercial Automobiles Private Limited	-	0.37
Kailash Motors	-	0.53

Transactions with key management personnel

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund :		
Mr. Abhishek Jaiswal	37.48	30.79
Mr. Sanjiv Keshri	26.25	-
Mr. Amit Jain	26.63	21.32
Total compensation paid to key management personnel	90.36	52.11

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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
 (All amounts are in INR lakhs, unless otherwise stated)

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
Mrs. Vineeta Sriwani	1.60	1.95
Total compensation paid to key management personnel	6.10	5.85

C. Balances with related parties

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable		
Jupiter Wagons Limited	1059.77	69.01
Capital creditors		
Jupiter Wagons Limited	37.01	-
Total	1,096.78	69.01

Notes:

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.

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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.	-	-

45. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on 31 March 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	-	-	-	-	-	-	-
(ii) Loans	-	-	56.10	56.10	-	-	-
Current							
(i) Trade receivables*	-	-	1,110.56	1,110.56	-	-	-
(ii) Cash and cash equivalents*	-	-	282.05	282.05	-	-	-
(iii) Bank balances other than (ii) above*	-	-	168.25	168.25	-	-	-
(iv) Loans*	-	-	199.43	199.43	-	-	-
(v) Other financial assets*	-	-	41.03	41.03	-	-	-
Total	-	-	1,857.42	1,857.42			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	2,690.01	2,690.01	-	-	-
(ii) Lease liabilities*	-	-	42.78	42.78	-	-	-
(iii) Other financial liabilities*	-	-	5.10	5.10	-	-	-
Current							
(i) Borrowings#	-	-	2,083.55	2,083.55	-	-	-
(ii) Lease liabilities*	-	-	0.39	0.39	-	-	-
(iii) Trade payables*	-	-	3,440.72	3,440.72	-	-	-
(iv) Other financial liabilities*	-	-	470.32	470.32	-	-	-
Total	-	-	8,732.89	8,732.89			

ii. As on 31 March 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	0.10	-	-	0.10	-	-	-
(ii) Loans*	-	-	57.68	57.68	-	-	-
Current							
(i) Investments*	-	-	-	-	-	-	-
(ii) Trade receivables*	-	-	1,774.82	1,774.82	-	-	-
(iii) Cash and cash equivalents*	-	-	2,302.67	2,302.67	-	-	-
(iv) Bank balances other than (iii) above*	-	-	87.26	87.26	-	-	-
(v) Loans*	-	-	250.19	250.19	-	-	-
(vi) Other financial assets*	-	-	187.46	187.46	-	-	-
Total	0.10	-	4,660.08	4,660.18			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	3,403.27	3,403.27	-	-	-
(ii) Other financial liabilities*	-	-	5.10	5.10	-	-	-
Current							
(i) Borrowings#	-	-	462.55	462.55	-	-	-
(ii) Trade payables*	-	-	2,530.41	2,530.41	-	-	-
(iii) Other financial liabilities*	-	-	643.05	643.05	-	-	-
Total	-	-	7,044.38	7,044.38			

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2020 and 31 March 2019.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk - Foreign exchange
- Market risk - Interest rate

Risk management framework

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

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

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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	Gross carrying amount	
	As at 31 March 2020	As at 31 March 2019
1-90 days past due *	1,001.28	1,699.75
91 to 180 days past due	108.45	37.49
More than 180 days past due #	1,507.50	1,511.93
	2,617.23	3,249.17

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

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

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	1,474.35	1,701.72
Impairment loss recognised / (reversed)	-	3.88
Amount written off out of above	32.31	(231.25)
Balance at the end of the year	1,506.66	1,474.35

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

b. Financial risk management (continued)

(ii) Liquidity risk

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

Maturities of financial liabilities

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

As at 31 March 2020	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	1,854.35	-	1,854.35	-	1,854.35
Lease liabilities	42.78	-	3.35	39.43	42.78
Other financial liabilities	5.10	-	-	5.10	5.10
		-	-	-	-
Current liabilities					
Borrowings	2,285.59	2,285.59	-	-	2,285.59
Lease liabilities	0.39	0.39	-	-	-
Trade payables	3,440.72	3,440.72	-	-	3,440.72
Other financial liabilities	470.32	470.32	-	-	470.32
Total	8,099.24	6,197.02	1,857.70	44.53	8,098.85

As at 31 March 2019	Carrying amount	Contractual cash flows			
		Less than 1 year	Between 1 to 5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*#	2,036.23	-	1,596.49	439.74	2,036.23
Other financial liabilities	5.10	-	-	5.10	5.10
Current liabilities					
Borrowings	747.79	747.79	-	-	747.79
Trade payables	2,530.41	2,530.41	-	-	2,530.41
Other financial liabilities	643.05	643.05	-	-	643.05
Total	5,962.58	3,921.25	1,596.49	444.84	5,962.58

* Pertains to debt component of compound financial instrument. The contractual cash flows are based on management's intent since the preference shares are redeemable only as fully paid up.

#Carrying amount presented as net off unamortized transaction cost.

(iii) Market risk

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

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows as there is no transaction in foreign currency in current year and previous year.

b. Financial risk management (continued)

(iii) Market risk

Interest rate risk

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

Exposure to interest rate risk

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

Variable-rate instruments	As at 31 March 2020	As at 31 March 2019
Term loans from banks (Non current)	1,854.35	2,036.23
Term loans from banks (Current)	1,598.21	-
Current maturities of borrowings	202.04	285.24
Total	3,654.60	2,321.47

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit or loss	
	100 bps increase	100 bps decrease
Interest on term loans from banks		
For the year ended 31 March 2020	36.55	(36.55)
For the year ended 31 March 2019	23.21	(23.21)

46. Capital management

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

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020.

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings	4,975.60	4,151.07
Less : Cash and cash equivalent	(282.05)	(2,302.67)
Adjusted net debt (A)	4,693.55	1,848.40
Total equity (B)	9,544.20	9,585.54
Adjusted net debt to adjusted equity ratio (A/B)	49.18%	19.28%

Commercial Engineers and Body Builders Co Ltd.

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

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

47. "Other Current Financial Assets" include Inter corporate deposits (ICD) of INR 1,000.00 Lakhs given to two Companies in an earlier year and which are outstanding as on 31 March 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.

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.

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 Rs. 7,705.00 Lakhs to Rs. 18,005.00 Lakhs, the details are as under

- 57,050,000 equity share capital of Rs. 10 each amounting to Rs. 5,705.00 Lakhs has been increased to 92,050,000 equity share capital of Rs. 10 each amounting to Rs. 9,205.00 Lakhs.
- 2,000,000 preference share of Rs. 100 each amounting to Rs. 2,000.00 Lakhs has been increased to 8,800,000 preference share capital Rs. 100 each amounting to Rs. 8,800.00 Lakhs.

Paid up capital :- Increased from Rs. 6,794.30 Lakhs to Rs. 16,996.49 Lakhs, detailed as under:

- Equity share capital has increased from 54,942,964 equity shares of Rs. 10 each amounting Rs. 5,494.30 Lakhs to 89,482,657 equity shares of Rs. 10 each amounting to Rs. 8,948.27 Lakhs.
- Issue of 6,748,229 Non Convertible Cumulative Redeemable Preference Share Capital of Rs. 100 each amounting to Rs. 6,748.23 Lakhs.
- 2,000,000 Non Convertible Cumulative Redeemable Preference Share Capital of Rs. 65 each amounting to Rs. 1,300.00 Lakhs (there is no change in same).

Commercial Engineers and Body Builders Co Ltd.
Notes to the financial statements for the year ended 31 March 2020
(All amounts are in INR lakhs, unless otherwise stated)

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.

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

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

Shashank Agarwal
Partner
Membership No.: 095109
Place: Gurugram
Date: 22 July 2020

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

Abhishek Jaiswal
Whole Time Director & Chief Executive Officer
(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

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Vikash Lohia
Whole Time Director
DIN: 00572725
Date: May 15, 2023
Place: Kolkata, India

DECLARATION

We, the Board of Directors of the Company certify that:

- i. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- ii. the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- iii. the monies received under the Issue shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Vikash Lohia
Whole Time Director
DIN: 00572725
Date: May 15, 2023
Place: Kolkata, India

I am authorized by the Qualified Institutions Placement Committee of the Board of Directors of the Company, *vide* resolution dated May 15, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Vikash Lohia
Whole Time Director
DIN: 00572725
Date: May 15, 2023
Place: Kolkata, India

ISSUER

JUPITER WAGONS LIMITED

Registered Office

48, Vandana Vihar, Narmada Road
Gorakhpur, Jabalpur – 482001
Madhya Pradesh, India.

Corporate Office

4/2, Middleton Street
Kolkata – 700071, West Bengal, India
Telephone No.: +91 33 4011 1777
CIN: L28100MP1979PLC049375
Website: www.jupiterwagons.com

Contact Person:

Deepesh Kedia

Company Secretary and Compliance Officer
48, Vandana Vihar, Narmada Road
Gorakhpur, Jabalpur – 482001
Madhya Pradesh, India.
Tel: +91 761 266 1336
Email: cs@jupiterwagons.com

BOOK RUNNING LEAD MANAGER

Systematix Corporate Services Limited

The Capital, A-Wing No. 603-606
6th Floor, Plot No. C-70,
G-Block, BKC, Bandra (East)
Mumbai- 400 051
Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE COMPANY

M/s. Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BRLM AS TO INTERNATIONAL SELLING RESTRICTIONS

Dentons US LLP

2000 McKinney Avenue
Suite 1900, Dallas
TX 75201-1858
United States

AUDITORS TO OUR COMPANY

Walker Chandiok & Co LLP

Chartered Accountants
Unit 1603 & 1604, Ambuja Eco-Centre
16th Floor, Plot # 4, Street Number 13
EM Block, Sector V, Bidhannagar
Kolkata – 700 091
West Bengal, India

APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)



(Jupiter Wagons Limited was incorporated in the Republic of India under the provisions of Companies Act, 1956 on September 28, 1979)

Registered Office: 48, Vandana Vihar, Narmada Road, Gorakhpur, Jabalpur - 482001, Madhya Pradesh, India.

Corporate Office: 4/2, Middleton Street, Kolkata – 700071, West Bengal, India

Tel: +91 33 4011 1777 | **Website:** www.jupiterwagons.com | **Email:** cs@jupiterwagons.com |

CIN: L28100MP1979PLC049375 | **LEI:** 335800PX9J5F9GCI2X33

JUPITER WAGONS LIMITED

APPLICATION FORM

Form No.:

Date:

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (“ISSUE PRICE”) INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] LAKH UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY JUPITER WAGONS LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹109.12 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Non-Debt Rules”), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled “Selling Restrictions” and “Transfer Restrictions” in the accompanying preliminary placement document dated May 10, 2023 (“PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	IC	Insurance Companies
MF	Mutual Funds	VCF	Venture Capital Funds**
NIF	National Investment Fund	FPI	Foreign Portfolio Investor*
IF	Insurance Funds	AIF	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial	OTH	Others (Please specify)

To,

**The Board of Directors
JUPITER WAGONS LIMITED**

Corporate Office:

4/2, Middleton Street, Kolkata – 700071, West Bengal, India.

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Companies
<i>*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.</i>

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Systematix Corporate Services Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "**Notice to Investors**", "**Representations by Investors**", "**Issue Procedure**", "**Selling Restrictions**" and "**Transfer Restrictions**" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "**Risk Factors**" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary

information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		FAX NO.	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		
<p><i>*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.</i></p> <p><i>** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</i></p> <p><i>*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</i></p>			

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS			
Depository Name (Please ✓)		National Security Depository Limited	Central Depository Services (India) Limited

