

# Commercial Engineers & Body Builders Co. Limited



...bodies in motion ...

AN ISO/TS 16949:2009 Company  
CIN-L24231MP1979PLC049375

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

**Date - 12.06.2020**

The Secretary,  
National Stock Exchange of India Ltd  
'Exchange Plaza,' 5<sup>th</sup> Floor  
Plot No. C/1, G. Block  
Bandra Kurla Complex,  
Bandra (East),  
**Mumbai - 400 051**  
**Fax No. 022-26598237/38,**  
**66418124/25/26**

The Secretary,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**Mumbai - 400 001**  
**Fax No. 022-2272 3121/2272 2037**

**Scrip Code - CEBBCO**

**Scrip Code - 533272**

Dear Sir,

## **Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Impact of Covid-19**

Pursuant to Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, we would like to inform the stock exchanges and stakeholders about the impact of the Covid-19 Pandemic on our Business Operations.

The Company has two main operations a) Load bodies which comprise mainly tippers and trailers for commercial vehicle OEMs and also for private operators and b) Railway freight wagons for Indian Railways and private operators. For manufacture of load bodies, the Company's has 3 main units ( two units in Madhya Pradesh and one unit in Jamshedpur) and it has a plant in Jabalpur for manufacture of railway freight wagons.

### **1) Impact of the CoVID-19 pandemic on the business.**

The Company's manufacturing facilities remained shut from March 25, 2020 due to lockdown. As a result, major shipments for the month of March 2020, were impacted. Thus, there will be some impact on the performance for Quarter 4 of FY 2019-20. The Company will declare its results for the quarter ended 31<sup>st</sup> March 2020, as per the new timelines prescribed by the government of India and other regulatory bodies.

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

For the month of May 2020, approximately 33% of the manufacturing operations have resumed.

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

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Our major customers, commercial vehicle OEMs have started their operations in a gradual manner.

We have started receiving orders, although, in smaller quantities from private railway freight operators.

While the operations for quarter 1 of FY 2020-21, are severely impacted, at this point it is not possible to estimate the impact for the full year, in terms of overall performance.

## 2) **Manufacturing and other operations**

As explained above, the Company has restarted operations with some of factories considering order book and available workforce, since April 25, 2020, adhering to the safety norms prescribed by Government of India.

For certain locations, most of the workforce is from the local areas. For our Railway wagon plant, we have made necessary arrangement for workforce for their stay, considering that they had come from other states. Thus, we do not have major challenge in workforce availability.

As of date, our Railway wagon plant has resumed operations. Regarding the units manufacturing tippers and trailers for commercial vehicles, depending on the order position, the company will scale the operations at these plants.

After having been permitted to do so, the Registered office was restarted at 50% Capacity on 6<sup>th</sup> of May 2020. All the staff, who were required to do so were /are working from home to ensure that the affairs of the Company are conducted smoothly.

The Company is taking care of its staff and work force by ensuring sanitisation, social distancing, mandatory wearing of mask and thermal check at the gate and maintaining proper hygiene.

The Company has taken specific COVID 19 insurance plan for its workers.

## 3) **Estimation of future impact on its business and operations and demand scenario**

Considering the lockdown period, the revenues and profitability of the Company have been impacted for the Quarter 1 of FY 2020-21.

Apart from the situation arising due to Covid-18, the Commercial vehicles industry had been facing reduction in demand due to sluggishness in market. Further, there is change of technology from BS-IV to BS-VI. Due to reduced economic activity, the fleet utilisation across the country is expected to go down in the next quarter and gradually recover with acceleration in economic activity. Thus OEMs are expected to be faced with sluggish demand for next 2-4 months. However, the recent announcement by Government on opening of mines and infrastructure developments will create new demand, to some extent.

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In wagon manufacturing and general / heavy fabrication, the company enjoys good order backlog. However due to lockdown, part of the production scheduled for the first two months of Financial Year 2020-21 has been shifted to subsequent months.

The effect of lockdown due to COVID-19 spread will reflect in the turnover and profitability of the Company for the Financial Year 2020-21. Given the uncertainty on the demand scenario for tippers and trailers, the future impact on the operations, cannot be ascertained at this point of time. The Company will continue to monitor the fast-changing environment as it evolves.

#### 4) **Other Impact**

##### a) **Capital, financial resources, liquidity and debt servicing**

The Company has approved bank facilities and sufficient credit limits are available. Since the Railway wagon operations have resumed, the company will be in a position to generate liquidity for meeting the needs for operations and working capital.

We have availed moratorium on repayment of principal amount of term loan and company will be is able to serve interest thereon.

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

As explained above, the effect of lockdown will reflect in the turnover and profitability of the Company for the financial year 2020-21, but the quantum cannot be ascertained now.

##### b) **Assets**

The Company has secured all of the assets and confirms that all are in working condition. Proper security measures have been taken during the lockdown period.

##### c) **Internal financial reporting and control**

The Company has established appropriate internal control mechanism and management structure in place across all locations and business. The Company is the processing of strengthening the ERP system.

The management has undertaken review of effectiveness of the internal financial control and this is currently being reviewed by the Statutory Auditors.

##### d) **Supply chain**

At present, the Supply chain is adversely affected due to national lockdown However, given the measured removal of restrictions by authorities, it is expected that business situation will get normalized in the near future.

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## 5) Obligations regarding existing orders/agreements

We have pending orders from Indian Railways and Private operators for freight wagons. These are being processed. The Company endeavours to perform its duties as agreed to in various executed operational contracts/agreements. We are in constant communication with the customers regarding rescheduling of deliveries and at this point we don't foresee any major financial implication due to delay, where applicable, in execution of these orders

You are requested to please take on record the same in your records and reference.

**For COMMERCIAL ENGINEERS AND BODY BUILDERS CO. LIMITED**

  
Amit K Jain  
Company Secretary



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