



## Forward Looking Statement

---

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

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

## CORPORATE INFORMATION

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

## IMPORTANT COMMUNICATION TO MEMBERS

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

**CONTENTS**

<b>S.No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Message from Board of Directors	1
2.	Financial Highlights	2-3
3.	Key Facts	4-5
4.	Management Discussion and Analysis	6-11
5.	Cover Note to the Notice	12
6.	Notice for AGM	13-24
7.	Director's Report	25-55
8.	Report on Corporate Governance	56-74
9.	Independent Auditor's Compliance Certificate	75-77
10.	CEO & CFO Certificate	78
11.	Independent Auditor's Report	79-87
12.	Audited Financial Statements	88-137



## **MESSAGE FROM BOARD OF DIRECTORS**

---

**Dear Shareholders,**

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

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

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

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

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

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

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

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

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

Thank you,

Yours sincerely,

**On behalf of Board of Directors**

**P.Y. Gurav**

Director

(DIN: 02004317)

**Abhishek Jaiswal**

Whole Time Director & C.E.O.

(DIN: 07936627)

## Financial Highlights

### Profit & Loss Statement

(₹ in Lakhs)

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



## Balance Sheet

(₹ in Lakhs)

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

## Key Facts

---

### Product Verticals

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

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

### Commercial Vehicle / Fully Built Vehicle (FBV)

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

### Railways

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

### General fabrication

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

### Strengths

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

### Manufacturing Plants

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

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



**Key Customers**

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

**Well Diversified Product Portfolio**
**Mining & Road Construction**

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

**Goods Transportation**

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

**Solid Waste Management**

1. Skip - Loaders
2. Garbage - Bin Collectors

**Municipal Applications**

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

**Defence**

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

**Railway Components**

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

**Power Plant structural**

1. Electro static precipitators structures
2. FGD Structures

## MANAGEMENT DISCUSSION AND ANALYSIS

---

### 1) **Indian economic scenario -**

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

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

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

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

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

### 2) **Industry performance**

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

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

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

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

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

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

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

#### b) **Railway wagons**

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

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