



June 24, 2020

To,
The Department of Corporate Services,
BSE Limited,
Mumbai

To,
Listing Compliance Department,
National Stock Exchange of India Ltd
Mumbai

BSE Code: 531795
NSE Code: ATULAUTO

Dear Sir/ Madam,

SUBJECT: INFORMATION ON IMPACT OF COVID-19 PANDEMIC ON THE COMPANY UNDER REGULATION 30 OF THE SEBI LISTING REGULATIONS 2015

This is to inform the exchange that in light of increasing concern about spread of Corona Virus and in compliance of directions/ guidelines issued by the Government in respect of COVID-19 pandemic, the Company had suspended its manufacturing operations and the suspension was depended on the further directions/ guidelines of the Government.

To keep the stakeholders abreast, the Company had informed about the suspension and resuming of business operations vide its letter dated March 24, 2020 and May 20, 2020 respectively. The Company has also submitted the sales figures for the month of April 2020 and May 2020 in due course.

When this situation is moving towards normalcy, we hereby provide the details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/ 4/2015 dated 9th September, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 in Annexure I.

Thanking you.

Yours faithfully,

For ATUL AUTO LIMITED,


(Paras J Viramgama)


Company Secretary & Compliance Officer

ATUL AUTO LIMITED

(Corporate Identification Number: L54100GJ1986PLC016999)

Regd. Office & Factory: National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Rajkot – 360024 (Gujarat)

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Sr. No.	Particulars	Information
1.	Impact of COVID -19 Pandemic on the business	<ul style="list-style-type: none"> • The rampant spread of COVID-19 outbreak/ across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook. • Due to the lockdown announced by the government of India from 25th March 2020, entire operations of the company came to a halt. • Our end customers are from low income group and are daily earners. Hence, the lockdown has severely impacted the purchasing power capacity of the customers. • This has severely impacted our sales / revenue in short term to medium term. Further, profitability will be impacted in line with the fall in volumes.
2.	<ul style="list-style-type: none"> • Factory/ unit where the Lockdown has impacted • Ability to maintain operations including the factories/ units/ office spaces functioning and closed down; 	<ul style="list-style-type: none"> • All the manufacturing facilities and offices were shut down for 55 days from March 24, 2020 to May 17, 2020. • The company has adopted work from home policy during the lockdown period for back office work. • However, the production activities had come to halt during this period due to lockdown as well as fall in demand except manufacturing of few vehicles for the purpose of delivering it to Municipal Corporation, BS VI Testing and Export with permission of Government Authorities.
3.	Schedule, if any, for restarting the operations;	<ul style="list-style-type: none"> • We have started our production activity from May 18, 2020 in compliance with the guidelines issued by the Central Government, State Government as well as local authority during Lockdown phase 4. • Unlock 1 (Lockdown phase 5) effective from 1st June, 2020 has given additional relaxations, which will enable to ramp up the production, supply chain and distribution.
4.	Steps taken to ensure smooth functioning of operations;	<ul style="list-style-type: none"> • All safety measures and guidelines issued by Government to prevent the spread of corona virus are implemented in the factory/ office premises • The guideline for social distancing and other rules while commuting are implemented • The guideline and rules are implemented for employees while entering the factory premises like single gate entry, thermal screening, Sanitization Booth etc. • Use of mask, hand sanitizers, no touch-puch for attendance etc. are implemented

		<ul style="list-style-type: none"> • Compulsory leave for unhealthy employees and no entry for employees coming from containment zones are implemented • Only necessary physical meetings are allowed and avoiding any gathering while utilizing facilities like water, canteen etc. • Issuing of guideline to employees for installing Aarogya Setu Mobile Application
5.	Estimation of the future impact of COVID-19 on its Operations;	<ul style="list-style-type: none"> • It is difficult to estimate the definitive impact of COVID-19 on the operations of the company beyond Q1F21 at this point of time. • The company is closely monitoring the developing situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities. • Companies business operations depends upon the performance of dealers' network pan India. With vivid spread of COVID-19 across country, operation of the company depends upon the spread of COVID-19 at different parts and measures taken by different state government as well as local authorities.
6.	Details of impact of COVID -19 on listed entity –	
	(i) Capital and financial Resources;	<ul style="list-style-type: none"> • The company's equity capital structure remains unchanged and funding of long term and short term assets are through internal accruals only. Company was enjoying debt free status as on 31st March, 2020. • The company has taken steps to ensure adequacy of financial resources in short term to medium term. During the financial year 2019-20, the company has sanctioned term loan facility for its Ahmedabad Expansion which is funded through internal accrual till March, 2020. • Further, company has sufficient sanctioned limits for working capital to meet requirement of short term finance need which are unutilised as at 31st March, 2020. • The company presently has adequate capital and financial resources to run its business.
	(ii) Profitability,	<p>Quarter 4_F.Y. 2019-20:</p> <ul style="list-style-type: none"> • The profitability of the company for the quarter and financial year ended March 31, 2020 is definitely impacted. However, the details of the same will be known after audit for the said period (s) is completed. • Further, impact on receivables and corporate guarantees due to COVID-19 is under assessment. <p>Quarter 1_F.Y. 2020-21:</p> <ul style="list-style-type: none"> • In the last 2 months, the company's operations have been impacted

			<p>due to very low /insignificant sales during the first three weeks of lockdown and committed / fixed costs being incurred.</p> <ul style="list-style-type: none"> • Company has taken steps for cost reduction and manpower optimisation. However, revenue of the company is fully dependent upon the increase in demand at semi urban, rural level, easing of lockdown as well as support from financiers for financing three wheelers.
	(iii)	Liquidity Position;	<ul style="list-style-type: none"> • The company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments. • In the short term and medium term, the cash position of the company is good, and the liquidity is assured, having enough unutilised credit lines. • The company enjoys the short term (A1) and long term (A/Stable) borrowings by CRISIL. • The COVID-19 lockdown has resulted into delay in recovery from dealers, however the same will not affect liquidity position of the company as company has adequate working capital facility.
	(iv)	Ability To service Debt and other Financing Arrangements;	<ul style="list-style-type: none"> • The company does not foresee any issue relating to servicing its debts or financing arrangements, as the first instalment of repayment of term loan is due in next year i.e. in December 2021. • Despite the near-term strain on operation and cash accruals, the company, due to its strong liquidity position expects to service its debt obligations in a timely manner.
	(v)	Assets;	<ul style="list-style-type: none"> • The company has considered relevant internal and external sources of information to evaluate the impact on the standalone and consolidation financial statements for the year ended 31st March, 2020. • There is no impact on tangible assets or inventory of the company due to lockdown. • Company expects delay in recovery of receivables but COVID-19 impact is under assessment. • There is no impact on valuation of investment of the company due to COVID-19. • However, the lockdown has resulted into delay in commencement of Ahmedabad Project and hence, may result in high CAPEX cost. • However, the actual impact may be different form that estimated as it will depend upon future development and future actions to contain or treat the disease and mitigate its impact on the economy.

	(vi)	Internal Financial Reporting and Control;	<ul style="list-style-type: none"> There is no impact on internal financial controls due to the COVID-19 situation.
	(vii)	Supply Chain;	<ul style="list-style-type: none"> The supply chain was disrupted in view of lockdown in March,2020, April,2020 & May, 2020. However, the situation is improving gradually with Central & states relaxing lockdown norms. Production at vendors end is also resuming gradually, almost 100% of the suppliers are now operational. However the supplier`s capacity is restricted as suppliers are facing challenges in terms of working capital, manpower availability limited working hours, and adherence to COVID -19 safety norms.
	(viii)	Demand For its Products /services	<ul style="list-style-type: none"> Though it is difficult to predict any demand scenario for the immediate short term, we expect demand will be significantly reduced in FY 20-21. SIAM has estimated downfall of 45% in demand of automobiles sector.
	(ix)	Ahmedabad Unit Expansion	<ul style="list-style-type: none"> The Construction Work and Installation of Ahmedabad Unit of the Company was expected to be completed in first quarter of FY 2020-21. However, due to lockdown it is delayed. Further, considering the downfall in demand and market situation commencement of Ahmedabad Unit is under consideration by the management.
7.		Existing contracts / agreements where non-agreement where of the obligations by any party will have significant impact on the listed entity`s business;	<ul style="list-style-type: none"> The company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.
8.		Whether loss/damage covered by insurance or not including amount;	<ul style="list-style-type: none"> The impact of COVID-19 is not covered under Insurance.
9.		Other relevant material updates about the listed entity`s business	<ul style="list-style-type: none"> The company has been regularly updating the Stock Exchanges about its business.