



August 10, 2022

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

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

BSE Script Code: 531795

NSE Script Symbol: ATULAUTO

Dear Sir/ Madam,

Sub: Intimation u/r 30 of the SEBI (LODR) Regulations, 2015 - Credit Rating

This is to inform the stock exchanges that CRISIL Limited, the Credit Rating Agency, has assigned CRISIL BBB+/Negative (Downgraded from 'CRISIL A-/Stable') to long term bank facilities and CRISIL A2 (Downgraded from 'CRISIL A2+') to short term bank facilities of the Company.

Please take the same on your record.

Thanking you.

Yours faithfully,
For, **ATUL AUTO LIMITED,**

(Mahendra J Patel)
Whole-time Director & CFO
(DIN: 00057735)

ATUL AUTO LIMITED

(Corporate Identification Number: L54100GJ1986PLC016999)

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

Phone: 02827 235500 **Website:** www.atulauto.co.in **E-Mail:** info@atulauto.co.in



RATIONALE FOR RATING:

The rating action reflects the moderation in AAL's business profile with slower recovery in demand for three wheels amidst pandemic situation. Against the earlier annual vehicle sales in range of 40000-50000 units, AAL's sales volume dipped to 16295 vehicles in fiscal 2021 and estimated around similar levels in current fiscal. During the 9 months to December 2021, AAL had clocked sales of Rs. 210 cr with losses of Rs.25 Cr. Over the last couple of years, three wheeler industry has been worst affected automobile segment and AAL's total reliance on the segment has translated into sharply reduced scale and operating losses. Further, while AAL's quarterly sales has recovered to estimated average 5000 vehicles from sub-2000 vehicles (in Q1FY22), AAL's volume recovery to pre-covid levels may take a couple of years and restrain the business profile over medium term. However, the credit profile is supported by healthy capital structure with estimated net worth around Rs.270 cr and gearing around 0.3 times March 31, 2022. AAL's liquidity is supported by healthy cushion in bank limits, controlled working capital cycle and ongoing term loan moratorium period. The pace and recovery of accruals are key monitorables for the company before the term repayments start in September 2022.

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