



MUNJAL AUTO INDUSTRIES LIMITED

Waghodia Plant

REF/SECY/2020

July 31, 2020

To, The Secretary, BSE Ltd. 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, MUMBAI – 400 001 BSE SCRIP CODE: 520059	To, Asst. Vice President, National Stock Exchange of India Ltd., Exchange Plaza, Plot C/1, G Block Bandra-Kurla Complex, Bandra (E), MUMBAI – 400 051 NSE SCRIP CODE: MUNJALAU
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SUB: DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC ON THE COMPANY

**Ref: Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company.

The above is for your information and record.

Kindly acknowledge receipt.

Thanking you,

For MUNJAL AUTO INDUSTRIES LTD.

Rakesh Johari
Company Secretary
ACS19153



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DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of COVID-19 pandemic are as follows: -

Sr. No.	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	<p>The unexpected outbreak of Novel Corona Virus (COVID-19), which had a pandemic impact, resulted into an announcement of the nation-wide lockdown, effective March 23, 2020. This led to a halt in economic activities thereby adversely impacting the business operations across the value chain.</p> <p>The Company's operations were substantially hit from March 23, 2020 till May 10, 2020 (when the lockdown was gradually lifted) which has impacted its operations during April and May' 2020. Manufacturing facilities and Corporate office of the Company were fully shut during the period.</p>
2.	Ability to maintain operations including the factories / units / office spaces functioning and closed down	<p>During this lockdown period the Company implemented Work From Home (WFH) policy for all the administrative staffs and was quite successful in implementing the same.</p> <p>Production and dispatch were disturbed for this entire lockdown period and now with ease of regulations and increasing availability of labour on day to day basis the Company has partially resumed production & dispatches.</p>
3.	Schedule, if any, for restarting the operations	<p>With the lifting of the lockdown restrictions, the Company re-opened its factories after establishing thorough and well-rehearsed safety protocols. Operations have re-commenced gradually in all the manufacturing facilities, with limited number of employees. However, in the short term, it is expected that manufacturing activity will be well below the normal level of production, due to lack of</p>

Corporate Office: - 2nd Floor , Tower "C" Unitech Business Zone, Nirvana Country, South City-2, Sector-50, Gurugram-122018 Tel: +91-124-4057891-92,
Waghodia Plant / Regd. Office : - 187, GIDC, Industrial Estate, Waghodia, Distt. Vadodara (Gujarat) - 391760. Tel: +91-2668-262421, Fax: +91-2668-262427

Bawal Plant : Plot No. 37, Sector 5, Ph - II, IMT-Bawal, Distt. Rewari (HR) - 123501. Tel: +91-1284-264435-36, Fax : +91-1284-264434

Haridwar Plant: - Plot No.-11, Industrial Park II, Vill,-Salempur Mehmood, Distt.-Haridwar (Uttarakhand) - 249402. Tel: +91-01334-235530,32, Fax: +91-1334-235533

Dharuhera Plant : - Plant No. -32A, Industrial Area, Dharuhera, Distt.-Rewari (HR) - 122106. Tel: +91-01274-243010-14

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		<p>demand. Production will be scaled-up depending upon the monthly schedule of demand from Original Equipment Manufacturers (OEMs), which has started improving from June, 2020.</p> <p>Currently all the plants and Corporate Offices have opened up and are operating with all safety norms and reduced manpower.</p>
4.	Steps taken to ensure smooth functioning of operations	<p>Post resumption of operations the Company has taken all necessary steps to adhere to the guidelines for social distancing provided by Ministry of Home Affairs along with the various directives issued by relevant state government authorities and has put in place safety measures which inter alia includes:</p> <ul style="list-style-type: none">• Thermal Screening of all employees and visitors;• Sanitization of premises and vehicles on regular basis;• Maintenance of social distancing at all work places;• Ensuring No Mask, No Entry policy• Educating employees to wash their hands regularly;• Avoiding large groups or gatherings at work places;• Restricting employees having any symptoms of cold or fever to attend office;• Avoiding all the non-essential visitors at work place; <p>Supply chain is being monitored to ensure availability of material. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.</p>

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5.	Estimation of the future impact of CoVID-19 on its operations	As there was no production and dispatches in almost last two months, the revenues and profitability of the Company are likely to be adversely impacted. However, it is too early to assess the exact future impact of the Pandemic on the business. The future impact would depend upon gradual opening-up of the economy, restoration of normal supply-chain and most importantly demand coming from the customers, which depends upon demand for their products.
6.	Details of impact of COVID-19 on listed entity's: -	
6.1	Capital and financial resources	The Company's operating cash flow was negative due to virtually zero Sales during April and part of May, 2020. While post lock down, the Company does not foresee any major liquidity issues, due to adequate banking limits being in place. Containing discretionary spend, given the prevailing circumstances, continues to be a focus area. Capital investment is also being strictly rationalized, towards protecting long-term strategic objectives.
6.2	Profitability	As the business operations of the Company were shut during the major part of the first Quarter of FY 2020-21 (Q1), revenue and profitability for the Quarter will be significantly impacted, also due to incurring of fixed costs without corresponding revenue, as mentioned in the earlier paragraph. The Management will continue to monitor material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.
6.3	Ability to service debt and other financing arrangements	The Company has working capital limits to meet financial requirements. Though the cash position is challenging, with our limits and tight control over expenditure, the company will be able to serve its debt and other financing arrangement as per schedule.

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6.4	Assets	The Company does not see any incremental risk to recoverability of assets (Inventories, investments, Receivables, etc.)
6.5	Internal financial reporting and control	There is no impact on internal financial controls due to the COVID-19 situation.
6.6	Supply chain	The Supply Chain process was impacted during the lockdown period. With the ease of restrictions, the same is improving on a daily basis. Currently Supply chain including logistics is being closely monitored to ensure availability and dispatch of raw material and components.
6.7	Demand for its products /services	The overall demand of the products has been impacted for a short-term because of nationwide lockdown, but due to easing out of restrictions, demand for the products will gradually increase.
7	Existing contracts /agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	The Company is 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.

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