



# AKAR AUTO INDUSTRIES LTD. (Formerly known as Akar Tools Ltd.)

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CIN No.: L29220MH1989PLC052305



1<sup>st</sup> June, 2020

To,  
Corporate Relations Department,  
Bombay Stock Exchange Limited,  
Phiroz Jeejeebhoy Tower,  
Dalal Street, Fort,  
MUMBAI - 400001

**Reference: Scrip Code: 530621. Scrip ID: AAIL**

**Subject: Disclosure of Material Impact of COVID-19 Pandemic.**

Dear Sir / Madam,

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, please find enclosed herewith disclosure material impact of COVID-19 pandemic on the Company.

Thanking You,

Yours Truly,

**For AKAR AUTO INDUSTRIES LIMITED  
(Formerly known as Akar Tools Limited)**

**Mitesh Gadhiya  
(Company Secretary)**



## DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, disclosure of material impact of COVID-19 pandemic is as follows:

### 1. Impact of COVID-19 pandemic on the business:

The outbreak of COVID-19 has resulted in the economic slowdown worldwide. The Company's manufacturing activities were shut from 23<sup>rd</sup> March, 2020 to 26<sup>th</sup> April, 2020 due to the lockdown announced in the country. The Company partially recommenced its manufacturing activities from 27<sup>th</sup> April, 2020 adhering to Notification No. DMU/2020/CR.92/DisM-1 dated 17/04/2020 issued by the Government of Maharashtra with respect to the safety measures to be taken due to COVID-19 pandemic. However, it is difficult to quantify the overall impact of the outbreak presently.

### 2. Ability to maintain operations including the factories / units / office spaces functioning and closed down. Schedule, if any, for restarting the operations:

The Company partially recommenced its manufacturing activities from 27<sup>th</sup> April, 2020 adhering to Notification No. DMU/2020/CR.92/DisM-1 dated 17/04/2020 issued by the Government of Maharashtra with respect to the safety measures to be taken due to COVID-19 pandemic.

### 3. Steps taken to ensure smooth functioning of operations:

The Company is taking all the precautions as per the advisory / notifications issued by the Central Government and Government of Maharashtra. The precautionary measures taken by the Company include:

- Thermal Screening of all the employees and the visitors at the entry point of the Company
- Sanitizing the premises on regular basis
- Compulsion on wearing of masks by anyone and everyone entering the Company premises and regularly washing of hands
- Compulsion on installing Aarogya Setu App by all the employees
- Maintaining social distancing at the workplace of all the employees



4. Estimation of future impact of COVID-19 on the operations:

COVID-19 will certainly have a negative impact on the business operations of the Company for the financial year 2020-21. However, presently it is difficult to quantify its impact for the financial year 2020-21

5. Details of impact of COVID-19 on Company's Capital and financial resources:

Profitability:

Presently it is difficult to quantify the impact of COVID-19 on the profitability of the Company.

Liquidity position:

Despite of some financial crunch, the Company is able to maintain its liquidity position. Further, the Company has availed the moratorium facility given by RBI pursuant to the COVID-19 pandemic.

Ability to service debt and other financial arrangements:

The Company has been servicing its debts in time and there is no default of any loan or interest commitments.

Internal financial reporting and control:

The Company has adequate internal financial reporting and control system.

Demand for products / service:

The demand for the products have reduced due to the lockdown in the Country. We expect the demand to increase in the coming quarters of the financial year 2020-21.

6. Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the business:

We do not have any such contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on our business.

**For AKAR AUTO INDUSTRIES LIMITED**  
**(Formerly known as Akar Tools Limited)**

  
**Sunil Todi**  
**(Managing Director)**

**DIN. 00061952**

