



AARON Industries Limited

(CIN-L31908GJ2013PLC077306)

REGD.OFFICE: B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat -394210, Gujarat

Tel:- 0261-2278410, E-Mail:- info1@aaronindustries.net, Website:- www.aaronindustries.net

30th May, 2020

To,
The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Symbol: AARON

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations And Disclosures Requirements) 2015

Ref: SEBI Circular no. SEBI/HO/CED/CMD1/CIR/P/2020/84 dated May 20, 2020

Dear Sir,

This is to inform that in view of the outbreak of COVID-19 pandemic in India and in view of the lockdown announced by the Central Government and Gujarat State Government, the Company has taken all necessary precautions to ensure safety and wellbeing of all the staff.

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

Kindly take the information on your record.

Thanking you.

Yours faithfully,

For Aaron Industries Limited

Ankitkumar Tank

Company Secretary & Compliance officer





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Impact of the COVID-19 pandemic on the business:

The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to the businesses of the Company.

The Company's operations were hit substantially from 22nd March, 2020 till the 1st week of May-2020, when lockdown was gradually lifted. The Registered office and Manufacturing facilities were fully shut during the period.

Due to recession in Real Estate sector, the Elevator Industry has been passing through difficult times owing to unprecedented slow down and disruption in the supply chain. This has been aggravated by the impact of COVID-19 pandemic.

Ability to maintain operations including the factories/units/office spaces functioning and closed down:

The Company's top priority is the safety and wellbeing of our employees. The Manufacturing units/office has been opened with reduced capacity/prescribed ceiling of staff, by adhering to the all mandated safety norms and guidelines.

Employees at works have been instructed to follow guidelines for maintaining social distancing at all work places enhanced sanitization measures are being implemented and only limited operationally required staff is being asked to come to work.

Every team member re-joining the workplace is required to download and use the mandatory 'Aarogya Setu' app. In this lockdown time, we are increasing use of digital means in our business operation.

Schedule, if any, for restarting the operations:

Manufacturing activities have commenced gradually in both plants. However production ramp up will be based on current inventory levels and the Company's estimate of demand. In the short term, it is therefore expected that manufacturing activity will be well below the normal.

The Registered office at Udhna, Surat opened with limited staff working from office in the initial phase.

Estimation of the future impact of COVID-19 on its operations:

Though it is still early to estimate the full impact of the COVID-19 pandemic on its business, we experience certain delays in the execution of new orders owing to the lockdown situation





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across the Country and the unavailability of all clients but expects normalcy to be achieved only after a quarter.

Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control:

We have a solid Balance Sheet and a strong cash position to withstand the financial impact of this pandemic. The Company has also taken many measures to reduce costs. Our financial strength and our committed people allow us to face this uncertain and difficult future with immense confidence.

In last 2 months, the Company's operating cash flow was negative due to very nominal sales. Thus, the COVID-19 situation is expected to adversely affect the profitability during the first half of the FY 2020-21.

The liquidity position of the company will be in comfortable zone, but it will be depend upon the pace of recovery from the debtors. The Company does not see any risk to recoverability of Receivables.

There is also no impact on Internal Financial Controls due to the COVID-19 situation.

Impact of COVID-19 on supply chain:

There is disruption in the supply chain as most of the Installers/Vendors have not re-started their operations. Elevator Installers from Non-containment zone have commenced their operations partially. Vendors of Sheet metal business has also commenced their operations partially.

Our Manufacturing facilities are ready for production and will commence depending on the demand and the inventory being liquidated.

Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

There are no such contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business.

Other relevant material updates about the listed entity's business:

There is no other relevant update about the business of the Company.

