



PALLAV DESAI

B.Com., F.C.A., D.I.S.A. (ICA)

P. J. DESAI & Co.

CHARTERED ACCOUNTANTS

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Ring Road, Athwa Gate, Surat-395 001.

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Ref No.:

Date :

Independent Auditor's Report on Audited standalone Half Year Financial Results and Year to Date Results of M/s. Aaron Industries Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
THE BOARD OF DIRECTORS OF
AARON INDUSTRIES LIMITED

Opinion

We have audited the accompanying standalone financial results of **Aaron Industries Limited** (the company) for the half year ended 31st March, 2020 and the year to date results for the period from 1st April, 2019 to 31st March, 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/loss and other financial information for the half year ended 31st March, 2020 as well as the year to date results for the period from 1st April, 2019 to 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These half yearly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 25, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

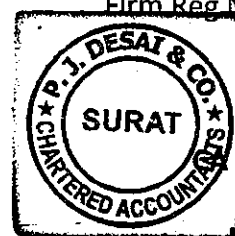
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

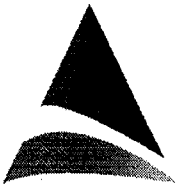
Place: Surat
Date: 30.06.2020

For P J Desai & Co.
Chartered Accountants
Firm Reg No.: 102330W



PJ Desai
Pallav J Desai
(Partner)
M No. 039868

UDIN:20039868AAAAAP7268



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

Statement of Unaudited Standalone Financial Results for the Half Year and Year ended 31st March, 2020

(Amount in Rs.)

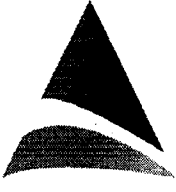
Sr. No.	Particulars	6 month ended			Year ended	
		31.03.2020	30.09.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
I	Income:					
	Revenue from operations	116388211.74	97603725.09	92841641.47	213991936.83	175532426.16
	Other Income	962943.53	132479.15	237899.40	1095422.68	344018.40
	Total Revenue	117351155.27	97736204.24	93079540.87	215087359.51	175876444.56
II	Expenses:					
	Cost of materials consumed	78685678.07	66505687.85	54272831.74	145191365.92	112776886.22
	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade - Increase (Decrease)	(3443965.20)	(3179310.80)	6769091.71	(6623276.00)	(1731022.00)
	Employee Benefit Expense	12413166.00	12235158.67	12954585.00	24648324.67	24818932.00
	Financial Costs	2985925.08	2898403.55	1167312.00	5884328.63	2862723.57
	Depreciation and Amortization Expense	2795696.95	2744965.05	1104279.79	5540662.00	2022918.00
	Other Expenses	9551745.92	10757852.21	8090623.60	20309598.13	19393955.77
	Total Expenses	102988246.82	91962756.53	84358723.84	194951003.35	160144393.56
III	Profit Before exceptional and extraordinary items	14362908.45	5773447.71	8720817.03	20136356.16	15732051.00
IV	Exceptional Items	0.00	0.00	0.00	0.00	0.00
V	Profit Before extraordinary items and Tax (III-IV)	14362908.45	5773447.71	8720817.03	20136356.16	15732051.00
VI	Extraordinary Items	0.00	0.00	0.00	0.00	0.00
VII	Profit Before Tax (V-VI)	14362908.45	5773447.71	8720817.03	20136356.16	15732051.00
VIII	Tax expense:					
	(1) Current tax	2523190.00	837970.00	1107926.00	3361160.00	3238725.00
	(2) Deferred tax	1690541.33	841637.75	1904257.58	2532179.08	1904257.58
	(3) Taxation of earlier year	0.00	0.00	0.00	0.00	0.00
IX	Profit(Loss) from the period from continuing	10149177.12	4093839.96	5708633.45	14243017.08	10589068.42
X	Profit/(Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00
XI	Tax expense of discountinung operations	0.00	0.00	0.00	0.00	0.00
XII	Profit/(Loss) from discontinuing operations (X - XI)	0.00	0.00	0.00	0.00	0.00
XIII	Profit/(Loss) for the period (IX-XII)	10149177.12	4093839.96	5708633.45	14243017.08	10589068.42
XIV	Earning per equity share:					
	(1) Basic	1.93	0.78	1.21	2.71	2.24
	(2) Diluted	1.93	0.78	1.21	2.71	2.24

For and on behalf of Board of Directors of
Aaron Industries Limited

Karan Doshi
Karan Doshi
Whole-time Director
DIN: 06690242



Date: 30/06/2020
Place: Surat



AARON Industries Limited

(CIN-L31908GJ2013PLC077306)

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Notes:

- 1 The above results, for the half year and year ended 31st March, 2020 were reviewed by the Audit Committee and subsequently approved by the Board of Directors in their meeting held on Tuesday, 30th June, 2020, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 Considering the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of Company's inventories, receivables and investments, the Company has considered internal and external information for finalization in relation to its financial statements upto the date of approval by the Board of Directors. The company has not identified any material impact on the carrying value of assets, liabilities or provisions, or on entity's operations as a part of going concern assessment. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.
- 3 The above financials have been prepared in accordance with AS-25, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 and other recognized Accounting practices and policies to the extent applicable.
- 4 In the calculation of current tax, the company has not opted for concessional tax rate u/s 115BAA of the Income Tax Act 1961 for the year 2019-20 but has availed set off of carried forward MAT credit.
- 5 The figures of the Second half year ended on 31st march, 2020 are the balancing figure between the audited figures in respect of the full financial year results upto 31st March, 2020 and the unaudited figures upto 30th September, 2019 which were subjected to limited
- 6 Previous period/year figures have been re-grouped/re-classified wherever required.
- 7 Earning per share have been calculated on the weighted average of the Share Capital outstanding during the period/year.
- 8 The Company is not having any subsidiary, associate or joint venture; therefore, it has prepared only standalone results as consolidation requirement is not applicable to the Company.
- 9 The aforesaid Financial results will be uploaded on the Company's website (www.aaronindustries.net) and will also be available on website of the National Stock Exchange of India Limited (www.nseindia.com).
- 10 The management is in process of identifying parties which are covered under MSME. The amount relating to MSME are disclosed to the extent identified.



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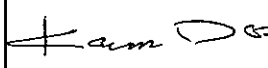
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Statement of Standalone Assets and Liabilities

(Amount in Rs.)

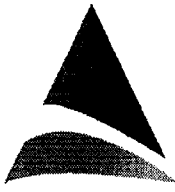
Particulars	As at year ended 31.03.2020	As at year ended 31.03.2019
	Audited	Audited
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	52611140.00	47828380.00
(b) Reserves and Surplus	55399113.57	45903811.49
(c) Money received against share warrants	0.00	0.00
(2) Share Application money pending allotment	0.00	0.00
(3) Non-Current Liabilities		
(a) Long-Term Borrowings	26670722.62	35497492.20
(b) Deferred Tax Liabilities (Net)	4991155.39	2458976.31
(c) Other Long Term Liabilities	0.00	0.00
(d) Long Term Provisions	0.00	0.00
(4) Current Liabilities		
(a) Short-Term Borrowings	16516086.32	9023763.49
(b) Trade Payables	15530651.00	16091632.00
(c) Other Current Liabilities	19414241.78	18321426.03
(d) Short-Term Provisions	0.00	0.00
Total Equity & Liabilities	191133110.68	175125481.52
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	92685017.03	86796867.57
(ii) Intangible assets	247670.00	265473.00
(iii) Capital work in progress	3574419.00	0.00
(b) Deferred tax assets (net)	0.00	0.00
(c) Long term loans and advances	2374437.30	3136744.00
(d) Non-current investments	2217809.23	410984.00
(2) Current Assets		
(a) Inventories	55653400.00	45950120.00
(b) Trade receivables	25106411.75	18432834.75
(c) Cash and Bank Balances	1450126.00	3840205.22
(d) Short-term loans and advances	495365.00	417581.00
(e) Other current assets	7328455.37	15874671.98
Total Assets	191133110.68	175125481.52

For and on behalf of Board of Directors of
Aaron Industries Limited


Karan Doshi
Whole-time Director
DIN: 06690242



Date: 30/06/2020
Place: Surat



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Cash Flow Statement for the Year ended 31st March, 2020

(Amount in Rs.)

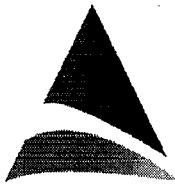
Particulars	Year ended	
	Audited	Audited
	31.03.2020	31.03.2019
Cash Flow from Operating Activities		
Net Profit Before Tax	20136356.16	15732051.00
Add: Depreciation	5540662.00	2022918.00
Interest/Dividend	5884328.63	2862723.57
	31561346.79	20617692.57
Less: Investment Income	1095422.68	344018.40
Operating Profit before Working Capital Changes	30465924.11	20273674.17
Adjustment for Working Capital Changes		
Cash Inflow		
Increase in Other Current Liabilities	0.00	13532078.27
	0.00	13532078.27
Cash Outflow		
Decrease in Trade Payable	560981.00	2295845.00
Decrease in Short Term provisions	-1092815.75	568394.00
Decrease in Other Current Liabilities	0.00	0.00
Increase in Inventories	9703280.00	12844940.00
Increase in Trade & Other Receivable	6673577.00	2845732.00
Increase in Other Current assets	-8546216.61	10618341.19
	7298805.64	29173252.19
Cash From Operations	23167118.47	4632500.25
Interest Paid	5884328.63	2862723.57
Direct Taxes Paid	3361160.00	3238725.00
	9245488.63	6101448.57
Net Cash Flow from Operating Activities A	13921629.84	-1468948.32
Cash Flow from Investing Activities		
Net Purchases of Fixed Assets	-14985427.46	-74606676.64
Increase in Other Non Current Investments	-1806825.23	-410984.00
Increase in Long term Loans & Advances	762306.70	-2606744.00
Increase in Short term Loans & Advances	-77784.00	149394.00
Cash Inflow Interest Income	1095422.68	344018.40
Net Cash Used in Investing Activities B	-15012307.31	-77130992.24
Cash Flow from financing Activities		
Cash inflow increase/(decrease) in Long Term Borrowings	-8826769.58	31188589.83
Cash inflow from Increase/(decrease) in Short Term Borrowing	7492322.83	3398704.95
Cash flow from issue of share capital	0.00	29023910.00
Increase in Reserve & Surplus	35045.00	18742090.00
Net Cash inflow from Financing Activities C	-1299401.75	82353294.78
Net Cash Changes	-2390079.22	3753354.22
Cash and Bank Opening	3840205.22	86851.00
Cash and Bank Closing	1450126.00	3840205.22

For and on behalf of Board of Directors of
Aaron Industries Limited


Karan Doshi
Whole-time Director
DIN: 06690242



Date: 30/06/2020
Place: Surat



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Segment wise Revenue, Results and Capital Employed


(Amount in Rs.)

Sr. No.	Particulars	6 month ended			Year ended	
		31.03.2020	30.09.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
1	Segment Revenue					
	(1) Elevator Division	94213426.62	89457898.09	80858358.15	183671324.71	149350132.00
	(2) Electrical Division	7405577.26	6515771.00	11882232.52	13921348.26	26081244.00
	(3) Steel Polishing Division	14769207.86	1630056.00	101050.80	16399263.86	101051.00
	(4) Unallocated	0.00	0.00	0.00	0.00	0.00
	Total	116388211.74	97603725.09	92841641.47	213991936.83	175532427.00
	Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00
	Net Sales from Operations	116388211.74	97603725.09	92841641.47	213991936.83	175532427.00
2	(Profit Before Tax and Interest)					
	(1) Elevator Division	52129731.13	17585806.85	17624597.68	69715537.98	72669885.00
	(2) Electrical Division	3887625.46	2801217.76	2891025.90	6688843.22	11406079.00
	(3) Steel Polishing Division	-16006561.98	-10926785.55	-1450087.80	-26933347.53	-1668801.00
	(4) Unallocated	-23934845.13	-943891.00	-9390943.21	-24878736.13	-64890245.00
	Total	16075949.48	8516348.06	9674592.21	24592297.54	17516918.00
	Less:					
	(a) Interest					
	(1) Elevator Division	40738.94	92725.74	148471.38	133464.68	148472.00
	(2) Electrical Division	0.00	0.00	0.00	0.00	0.00
	(3) Steel Polishing Division	1820720.14	1585061.31	429888.41	3405781.45	493861.00
	(4) Unallocated	807891.77	1065113.16	375415.75	1873004.93	1434716.00
	(b) Other Un-allocable Expenditure net off	0.00	0.00	0.00	0.00	0.00
	Add:(c) Un-allocable income	956309.68	0.00	0.00	956309.68	292182.00
	Total Profit Before Tax	14362908.31	5773447.85	8720816.67	20136356.16	15732051.00
3	(Segment assets – Segment Liabilities)					
	Segment Assets					
	(1) Elevator Division	55947745.09	52470572.34	58006060.07	55947745.09	56822677.00
	(2) Electrical Division	5619351.16	5559140.00	7185628.00	5619351.16	7102681.00
	(3) Steel Polishing Division	102659721.75	98022923.60	89478399.00	102659721.75	86098476.00
	(4) Unallocated	26906292.68	32987641.26	6566124.48	26906292.68	25101648.00
	Total	191133110.68	189040277.20	161236211.55	191133110.68	175125482.00
	Segment Liabilities					
	(1) Elevator Division	13376412.00	18310005.28	13940576.01	13376412.00	13940576.00
	(2) Electrical Division	634954.00	2200354.42	280685.00	634954.00	280685.00
	(3) Steel Polishing Division	40497784.68	40705686.84	40135764.23	40497784.68	40135764.00
	(4) Unallocated	28613706.43	29998199.21	27027264.79	28613706.43	27036265.00
	Total	83122857.11	91214245.75	81384290.03	83122857.11	81393290.00

Note:

- 1 Stainless Steel Polishing and Finishing division also has done internal jobwork for Elevator division at Udhana. As the inter-segment transfer of semifinished goods from Stainless Steel Division to Elevator division is done on challan basis and not yet properly measured, the same is not included in the segment reporting as inter-segment revenue.

For and on behalf of Board of Directors of
Aaron Industries Limited


Karan Doshi
Whole-time Director
DIN: 06690242



Date: 30/06/2020
Place: Surat