



APAR INDUSTRIES LIMITED

CORPORATE OFFICE:

APAR HOUSE, CORPORATE PARK,
SION TROMBAY ROAD, CHEMBUR
MUMBAI - 400 071, MAHARASHTRA, INDIA
T : (+91) (22) 2526 3400 / 6780 0400
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SEC/3007/2020

E-Filing

30th July, 2020

**National Stock Exchange of India Limited
"Exchange Plaza",
C-1, Block G,
Bandra- Kurla Complex,
Bandra (E),
Mumbai – 400 051.**

Scrip Symbol : APARINDS

**Kind Attn.: The Manager, Listing
Dept.**

**BSE Limited
Corporate Relationship Department,
27th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.**

Scrip Code : 532259

**Kind Attn. : Corporate Relationship
Dept.**

**Sub. :- Disclosure of material impact on business and operations due to
COVID-19 pandemic**

Dear Sirs,

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

Thanking you,

Yours faithfully,

For Apar Industries Limited

**(Sanjaya Kunder)
Compliance Officer**

Encl. : As above



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Disclosure of material impact of COVID-19 pandemic on the Company in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May 2020

Impact of the COVID-19 pandemic on the business :	<p>The Outbreak of Coronavirus (COVID 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company. Due to the lock down, the dispatches were impacted during later part of the March, 2020 and, accordingly, the profitability to that extent for the FY 2019-20.</p> <p>However, the Company has posted a steady performance in FY20, a challenging year that started slow due to general elections and ended with the upheaval caused by the COVID-19 pandemic.</p>
<p>Ability to maintain operations including the factories/units/office spaces functioning and closed down:</p> <p>Schedule, if any, for restarting the operations:</p> <p>Steps taken to ensure smooth functioning of operations:</p>	<p>In the initial period of lock-down, upon receiving permission essential services based manufacturing facilities were under operation observing safety measures with limited manpower. Gradually, the other manufacturing facilities were operated based on the state based permissions to operate with restricted manpower.</p> <p>We had initiated 'Work from Home' policy for various offices across India since mid-March and have ensured normalcy in daily operations with remote working.</p> <p>We believe our inherent strengths and strong management focus provide us strong resilience to face these unprecedented times.</p>
Estimation of the future impact of COVID-19 on its operations:	<p>The lock down due to COVID 19 is continuing in FY 2020-21 and the Company is continuing its operations in all the business units with current lower demand. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lock down, the Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position etc. though there may be lower revenue in the near term.</p>



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Details of impact of COVID-19 on :	
<p>1. capital and financial resources</p> <p>2. profitability</p>	<p>In FY21 the focus would be on collections, cautious order booking with eye on customer's credit worthiness and per order profitability. Expect slower order inflow H1 FY21 due to postponement of tenders in lockdown and lower execution at customers.</p> <p>Strong T&D demand expected from the renewable projects under construction/ bidding and government's commitment to higher share of clean energy. Similarly, Railways electrification, electric vehicle charging infrastructure to see increased demand as economy recovers post COVID-19.</p> <p>Focus on higher-value products such as HEC, Copper Conductors, Copper Transpose Conductors and OPGW to help profitability.</p> <p>Stronger demand expected for OFC with 'new normal' remote working conditions and Bharat Net II execution reviving demand.</p> <p>The domestic T&D equipment market is expected to continue to benefit from various regulatory initiatives, leading to both new and replacement demand for transformer oils.</p>
<p>3. liquidity position</p> <p>4. ability to service debt and other financing arrangements</p>	<p>The Company has a well-diversified and among the most comprehensive portfolio of products catering to power and other industries. Apar has always pursued financial conservativeness, maintaining low leverage, prudent order-booking and healthy cash levels. The Company has closed FY20 with Rs. 164 crore of cash and cash equivalents, providing some buffer in the current uncertain times. We are increasing our focus on collections and have adopted cautious order-booking.</p>
<p>5. assets</p>	<p>The Company had low capex plans to begin with, and while we will undertake working capex in FY21-22, new capex plans will be reviewed in H2FY21.</p>
<p>6. internal financial reporting and control</p>	<p>The Internal Financial Controls with reference to Financial Statements for FY 2020 were tested by Statutory Auditors and found adequate.</p>



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7. supply chain	The supply chain was disrupted in view of lockdown in March 2020. As permissions on resumption was granted to industries from 20 April 2020, we witnessed a gradual uptick in demand from our customers across various segments.
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 instances of non-fulfillment.
Other relevant material updates about the listed entity's business	Nil

We would also like to draw your attention to Note no. 3 given on COVID-19 impact in our Quarterly Standalone and Consolidated Results (Q4FY20) and Annual Results for FY 20 and Management's update on business and operations (including COVID-19 impact) at the quarterly earnings call of the Company held on Friday, 26th June, 2020.

Quarterly and Annual Results and Transcript of the said earning call has been uploaded on the website of the Company, which can be accessed from the link given below:

The Quarterly and Annual Results can be accessed from the Company's website through below link :

<http://www.apar.com/pdf/financedata/Financial-Results/2019-2020/Q4.pdf>

Transcript of Concall earning can be accessed from the below link :

<http://www.apar.com/pdf/financedata/Concall-Transcript/2019-2020/IntimationofConcallTranscript.pdf>

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