



**WE ARE IN THIS
TOGETHER**

AIA Engineering Limited

**30TH ANNUAL REPORT
2019-20**

Read through...

Corporate overview



Our business at a glance	02
Global presence	04
Journey so far	05
Letter from Managing Director's desk	06
Stakeholder engagement	08
Financial performance	10
Board of Directors	12
Socially responsible	14

Statutory Reports



Board's Report	16
Corporate Governance	61
Management Discussion and Analysis	83

Financial Statements



Standalone Auditor's Report	90
Standalone Balance Sheet	98
Standalone Statement of Profit and Loss	99
Statement of Changes in Equity	100
Standalone Cash Flow Statement	101
Standalone Notes	103
Consolidated Auditor's Report	152
Consolidated Balance Sheet	158
Consolidated Statement of Profit and Loss	159
Statement of Changes in Equity	160
Consolidated Cash Flow Statement	162
Consolidated Notes	164



Please find our online version at:

<http://www.aiaengineering.com/financials.php>



Or simply scan
to download

Investor Information	
BSE Code	: 532683
NSE Symbol	: AIAENG
Bloomberg Code	: AIAE:IN
AGM Date	: 21 September 2020
AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

Disclaimer: This document contains statements about expected future events of AIA Engineering Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

THE WORLD HAS BEEN GOING THROUGH TURBULENT TIMES. IT IS IN THE MIDST OF UNCERTAINTIES AND BUSINESS DISRUPTIVE EVENTS RESULTING OUT OF LIFE-THREATENING PANDEMIC.

AT AIA ENGINEERING LIMITED, WE REMAINED FOCUSSED, AGILE AND ADAPTIVE. WE STOOD UP BRAVELY AND WORKED TOGETHER AS A TEAM TO KEEP THE BUSINESS IN MOTION. THE TESTING TIMES SHOWED US THAT COLLECTIVELY, WE COULD EMERGE STRONGER THAN EVER. WHILE THE OPPORTUNITIES REMAIN THE SAME, NEW PERSPECTIVES HAVE EMERGED IN ADAPTING THE NEW NORMAL WAY OF WORKING AND LIVING.

KPIs of 2019-20

₹ **31,227.88** million

Total Revenue in F.Y. 2019-20

₹ **8,221.91** million

EBITDA in F.Y. 2019-20

₹ **5,903.20** million

PAT in F.Y. 2019-20

₹ **1,31,411.86** million

Market Capitalization as on
31 March 2020

₹ **2,546.65** million (1,350%)

Dividend Declared for F.Y. 2019-20

1,350

Employees as on
31 March 2020

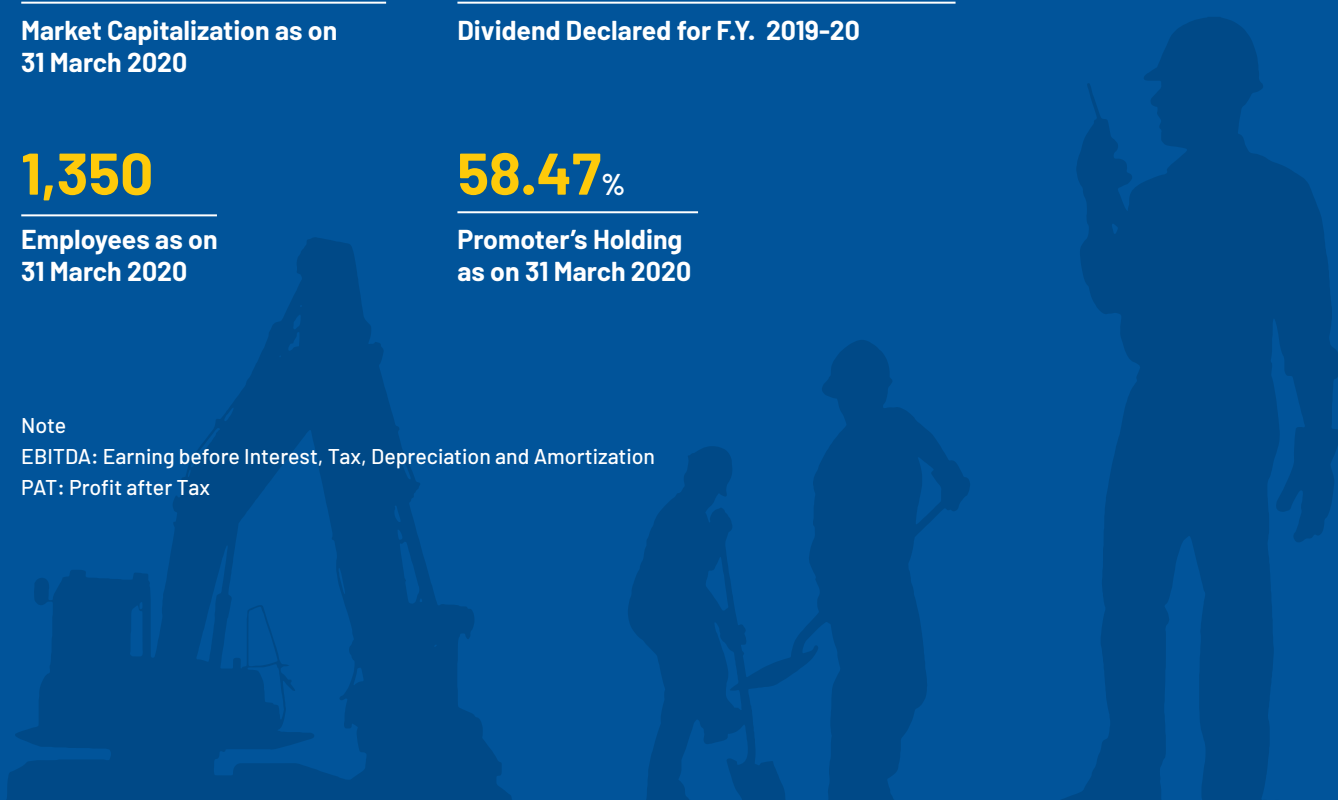
58.47%

Promoter's Holding
as on 31 March 2020

Note

EBITDA: Earning before Interest, Tax, Depreciation and Amortization

PAT: Profit after Tax





Our business at a glance

Established in the year 1991, AIA Engineering Limited (hereafter 'AIA', 'The Company' or 'We') is one of the world's largest manufacturers of value-added, impact abrasion, and corrosion resistant High Chrome Mill Internals (HCMI).

Through our unique combination of products and services, we help our customers increase their production output, decrease their operating costs and reduce environmental impact. We provide broad offerings with a proven track record of quality and reliability for our customers.

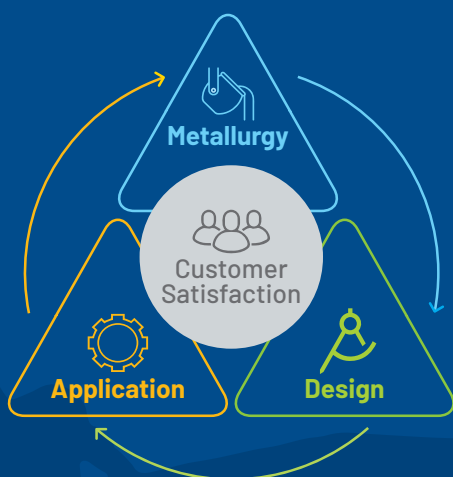


What we offer?

Designing, developing, manufacturing and installation of abrasion and corrosion resistant castings such as grinding media and mill liners for tube mills and vertical mill parts (collectively referred to as mill internals).

How we offer?

The golden triangle represents our knowledge matrix which helps us deliver unique value proposition of improvement in process parameters, reduction in operational costs and limiting environmental impact.



Value drivers



Metallurgy

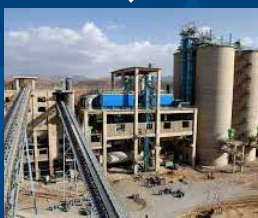
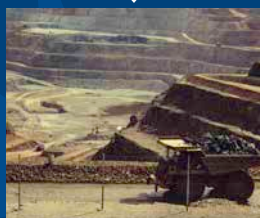


Grinding process technology



New product development

Application



MINING

Grinding of mineral ore before processing for separation of different materials

CEMENT

Grinding of limestone and clinker

THERMAL

Grinding of coal before it enters boiler

QUARRY

Crushing of aggregates

Global presence



AIA engages with customers in more than 120 countries. The Company has a local presence in strategic locations across the world through subsidiaries and rep offices. This has allowed the Company to build long standing relationships with global blue chip customers in cement and mining markets.



Subsidiaries and representative offices

- USA
- Canada
- UK
- UAE
- Australia
- South Africa
- China
- Chile
- Indonesia
- Ghana

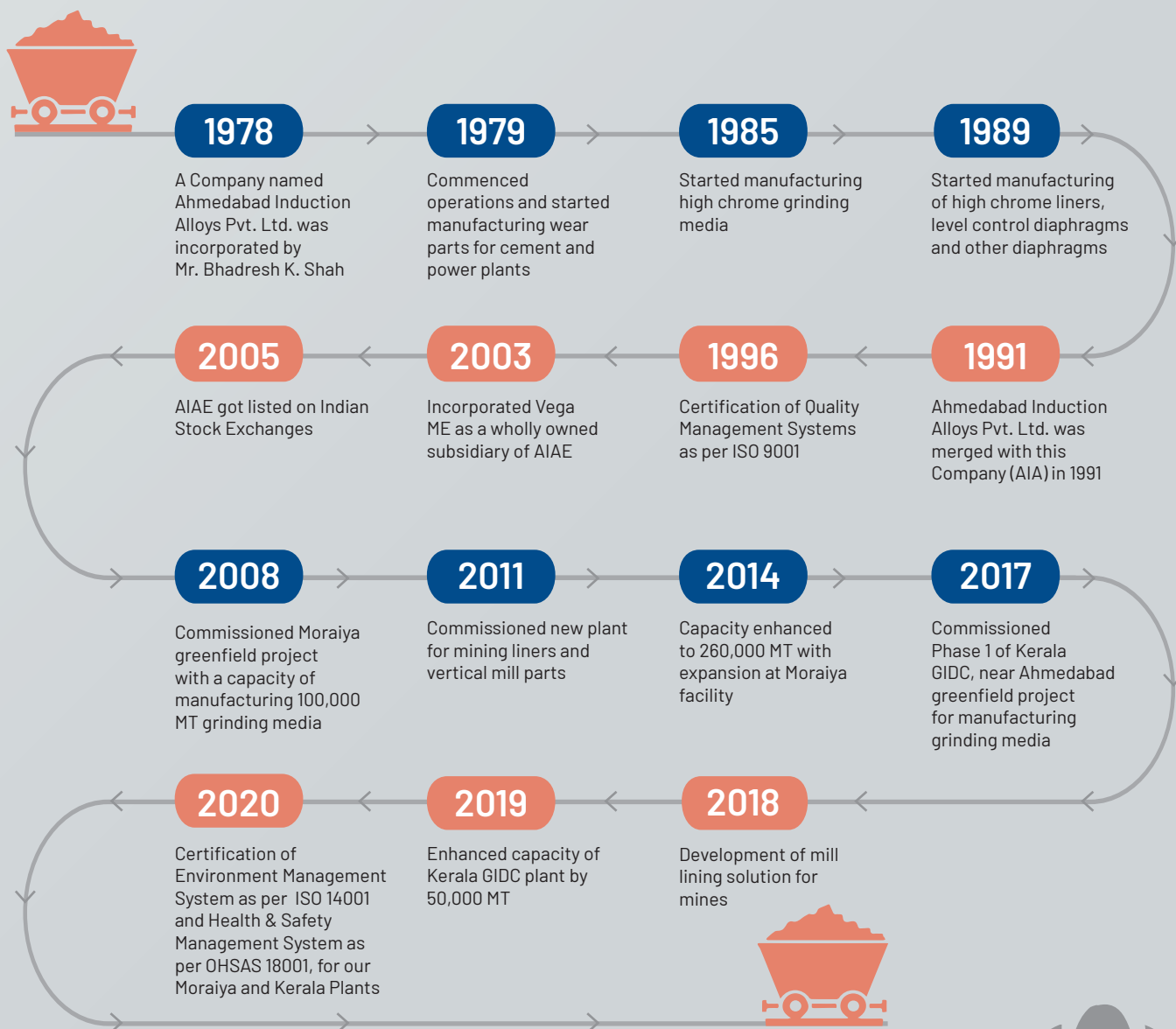
Global logistics network (Warehouses)

- Russia
- USA
- UK
- Netherlands
- Australia
- Ghana

120 countries 
 Global presence



Journey so far



Letter from Managing Director's desk



“

I am optimistic that we will emerge stronger from this crisis as we continue our efforts to add more value for our customers

”

Bhadresh K. Shah
Managing Director





Dear Shareholders,

We are in the middle of the biggest crisis we have seen in our lifetimes. The Covid-19 pandemic has created an unprecedented socio-economic disruption and a tragic loss of human lives. The exit path remains a vaccine and until then, it is likely to be a ride with a continuous stop-start rhythm and strict health protocols.

At AIA, we are hopeful that like all other previous crisis, this too shall pass. The testing times brought us all together and gave the courage to face the challenges. During the first phase of lockdown, we had shut down our offices and facilities and quickly adapted the 'Work from Home' practice. We started operating our manufacturing facilities post Government clearance in the subsequent lockdowns. We ensured complete safety of our people through adequate checks and social distancing norms.

On the performance front, I am glad to state that we are now running at 80% to 90% of our pre-Covid capacity. We have steadily progressed towards achieving our long-term goals. During the year, we successfully completed our first SAG mill liners trial for a large gold mine in Africa. The long-term optimism for the mining, cement and power industries continue to hold true even on this date. Going ahead, our strategic priorities would involve increasing R&D focus to further strengthen our total solutions capabilities. Besides, our perspective towards regular operations will now be highly directed towards improving productivity, strengthening employee morale and their preparedness to adapt with the evolving times.

With this note, I would like to thank all our stakeholders, investors, customer, suppliers and Government/Regulatory Bodies for being with us amidst tough times. I also acknowledge the efforts of our team members for their commitment and dedication. We value the passion and enthusiasm they bring to their work. We are committed to building an organization that is sensitive, vibrant and geared towards building a better tomorrow.

Best wishes,

Bhadresh K. Shah

Managing Director

AIA Engineering Limited



We started operating our manufacturing facilities post Government clearance in the subsequent lockdowns. We ensured complete safety of our people through adequate checks and social distancing norms.

Current installed capacity

390,000 Metric Ton

Proposed addition
(Greenfield)

Linings:

50,000

Grinding Media:

50,000

Total capacity post addition

490,000 Metric Ton



Stakeholder engagement

Stakeholders are at the heart of our strategy and business model. Engaging with stakeholders helps understand their evolving needs which in turn helps us in our strategic decision-making.

Investor	Employees	Suppliers/Vendors
WHY THEY ARE IMPORTANT As providers of capital, they are key stakeholders in our growth and expansion plans.	Our employees are at the centre of all our operations. Their collaborative skills and expertise is essential for our growth.	Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process.
STAKEHOLDER EXPECTATIONS <ul style="list-style-type: none"> Growth of the Company Reward to shareholders Return on Capital Employed (ROCE) Strong governance and risk management 	<ul style="list-style-type: none"> Growth opportunities Safe working environment Hygiene and sanitation Talent retention Training and development Proactive communication Ethical behaviour Employee engagement 	<ul style="list-style-type: none"> Payment terms Fair and transparent dealing Safety system and performance
FREQUENCY OF ENGAGEMENT Quarterly, annual and need-based	Monthly, half-yearly and need-based	Continuous
ASSESSMENT FACTORS <ul style="list-style-type: none"> Risk management Credit rating 	<ul style="list-style-type: none"> Attrition rate 	<ul style="list-style-type: none"> Safety incidents Vendor satisfaction index Quarterly performance evaluation
MODE OF ENGAGEMENT AND COMMUNICATION <ul style="list-style-type: none"> Annual general meetings Quarterly earnings calls and presentation and investor conferences Press releases and newsletters Regular disclosure to stock exchanges Updates on the Company website 	<ul style="list-style-type: none"> Performance appraisal Emails and circulars Health, Safety and Environment (HSE) committee meetings and safety alerts Training and awareness sessions Forums like Kaizen / 5S Festival celebrations Birthday wishes Picnic Sports day 	<ul style="list-style-type: none"> Supplier/Vendors meet Supplier feedback
VALUES CREATED <ul style="list-style-type: none"> Robust financials Sustainable growth 	<ul style="list-style-type: none"> Participative and encouraging work environment Higher retention Work-life balance Job satisfaction High morale Enhanced productivity and efficiency Continual improvisation in processes 	<ul style="list-style-type: none"> Long-term relations Fair procurement practises
COVID SUPPORT/RESPONSE -	<ul style="list-style-type: none"> Daily Sanitization of offices Daily Sanitization of buses Wearing masks mandatory in the premises Compulsory social distancing 	<ul style="list-style-type: none"> Share info on good practises Assess vendors on their safety practises