



AIA Engineering Limited  
31<sup>ST</sup> ANNUAL REPORT 2020-21

---

# FOR A BETTER **TOMORROW**



# ACROSS THE PAGES

## 01 CORPORATE OVERVIEW

|    |   |    |   |
|----|---|----|---|
| 02 | Know us Better                          | 09 | Growth Drivers of Tomorrow                  |
| 04 | Success Milestones                      | 10 | Performance Trends                          |
| 05 | Extensive Global Footprint              | 14 | Environmental, Social and Governance Report |
| 06 | Letter from<br>Managing Director's Desk | 39 | Board of Directors                          |
| 08 | The Winning Edge                        |    |   |

## 02 STATUTORY REPORTS

|    |                                |    |                                    |
|----|--------------------------------|----|------------------------------------|
| 41 | Board's Report                 | 99 | Management Discussion and Analysis |
| 77 | Report on Corporate Governance |    |                                    |

## 03 FINANCIAL STATEMENTS

|     |   |     |   |
|-----|---|-----|---|
| 105 | Standalone Auditors' Report             | 173 | Consolidated Auditors' Report             |
| 114 | Standalone Balance Sheet                | 180 | Consolidated Balance Sheet                |
| 115 | Standalone Statement of Profit and Loss | 181 | Consolidated Statement of Profit and Loss |
| 116 | Statement of Changes in Equity          | 182 | Statement of Changes in Equity            |
| 117 | Standalone Cash Flow Statement          | 184 | Consolidated Cash Flow Statement          |
| 119 | Standalone Notes                        | 186 | Consolidated Notes                        |



An electronic version of this report is available online at:

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



Scan this QR code to navigate investor related information

**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.

### Investor information

|  |   |
|--|---|
| Market Capitalisation as at 31 March, 2021 | : ₹ 19,316.34 Crores  |
| CIN  | : L29259GJ1991PLC015182                                       |
| BSE Code                                   | : 532683  |
| NSE Symbol                                 | : AIAENG  |
| Bloomberg Code                             | : AIAE:IN   |
| AGM Date                                   | : 3 September, 2021   |
| AGM Mode                                   | : Video Conferencing (VC) and Other Audio Visual Means (OAVM) |

“Over the last financial year, the pandemic has continued to test the resilience of our business and accelerated the pace of change.”

At AIA Engineering Limited, our purpose sets out our primary reason for existence and guides the evolution of our strategies to meet customers' demand and maintain our leadership quotient.

Our optimism for a better tomorrow empowers us to make the most of today's changing and uncertain world and enables us to unlock our potential and be resilient into the long term.

## KPIs of 2020-21

₹**30,536.88** Million

Total Revenue

₹**8,274.42** Million

EBITDA

₹**5,657.06** Million

PAT

₹**9** Per Share (450%)

Dividend

**58.47**%

Promoters' Holding

Note

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization

PAT: Profit After Tax





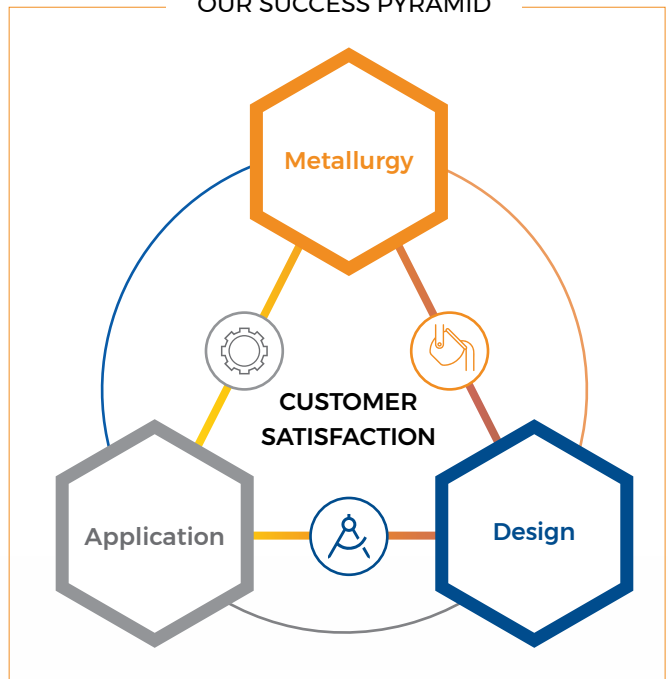
# KNOW US BETTER!

“AIA Engineering Limited. ('AIA' or 'the Company') is one of the most trusted names in manufacturing, designing, developing, installing, and servicing high chromium wear, corrosion, and abrasion-resistant casting used in cement, mining, and thermal power generation.”

By combining world-class engineering and the unique combination of products and services, AIA helps these industries achieve efficiency with reliability and safety. It is further supporting its customers to reduce their maintenance costs and improve cost-effectiveness.

Established in 1991 in Ahmedabad, India, an ISO 9001 certified company, AIA is serving for more than three decades. It has expanded its horizons to more than 120 countries, exclusively supplying its products, providing customer support and technical services through strategically located offices globally.

## OUR SUCCESS PYRAMID



## Application Offerings



### CEMENT

Grinding of limestone and clinker

The Company has been involved in offering wear part linked solutions to Cement industry for a long time and has developed expertise around metallurgy, grinding application and design of parts. Company offers parts for both tube mills and vertical mills. On account of this, Company offers solutions that can improve productivity and reduce operating costs and engages with customers in their operational improvement journey as a trusted partner.



### MINING

Grinding of mineral ore before processing for separation of different materials

The Company has developed special alloys for grinding media for the mining segment that can improve wear rates and reduce total cost of ownership for customers. In addition to this, Company has now developed mill lining solutions wherein customer can benefit with improved throughputs and reduced operating costs like cost of power, cost of wear parts, etc.



### THERMAL

Grinding of coal before it enters the boiler

Company offers wear parts for pulverizers used for grinding and crushing of coal before it is fed into boilers at thermal power plants. These plants use vertical mills and tube mills for pulverization of coal. Company offers wear parts and solutions to these plants that help improve throughput (which in turn can help with higher power generation) and reduction in operating costs.



### QUARRY

Crushing of aggregates

Company offers special wear parts for crushers used in quarry operations that improve operational parameters.

# 1991

Year of Inception

# 4,000+

Clients

# 1,285

Employee Strength

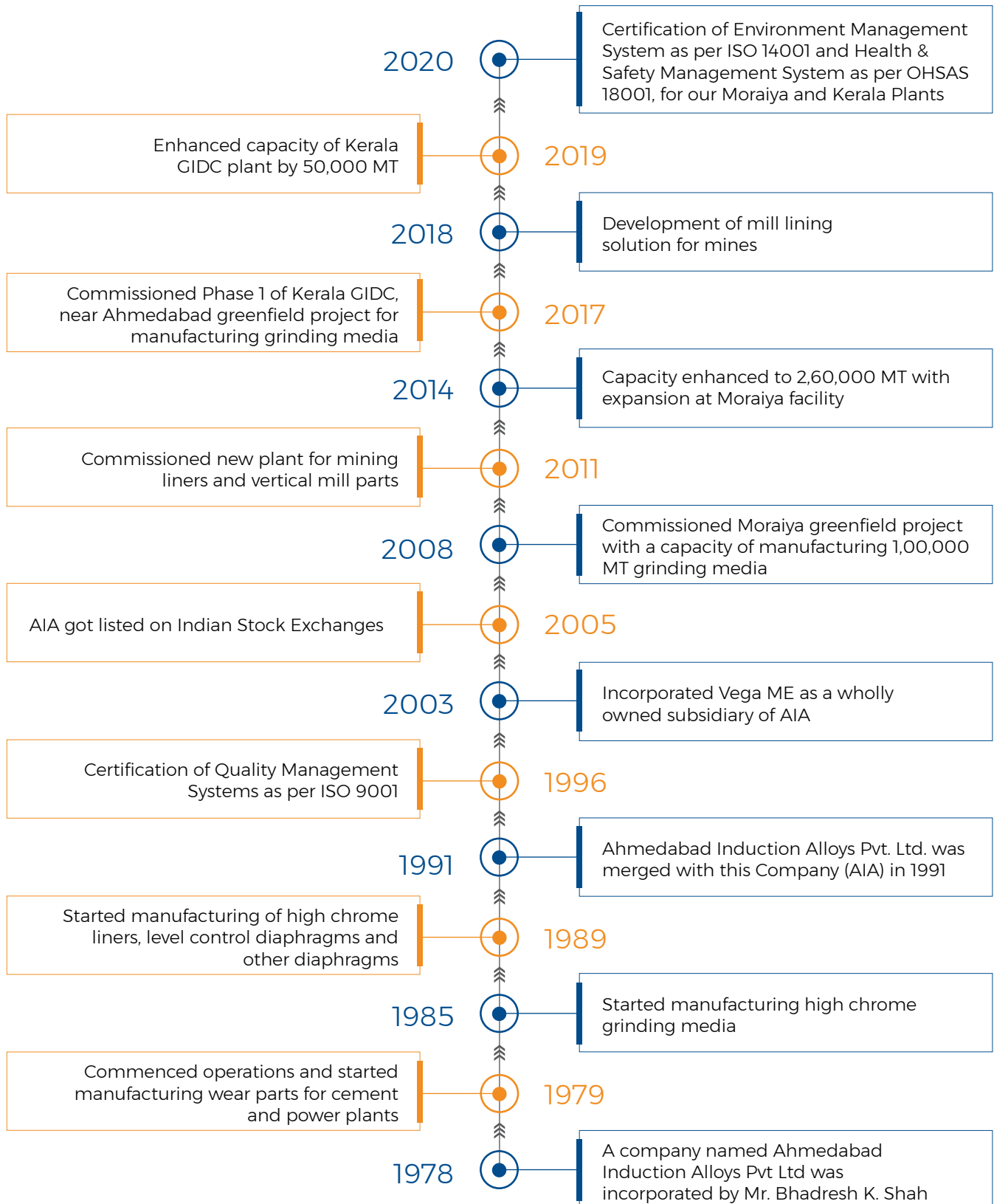




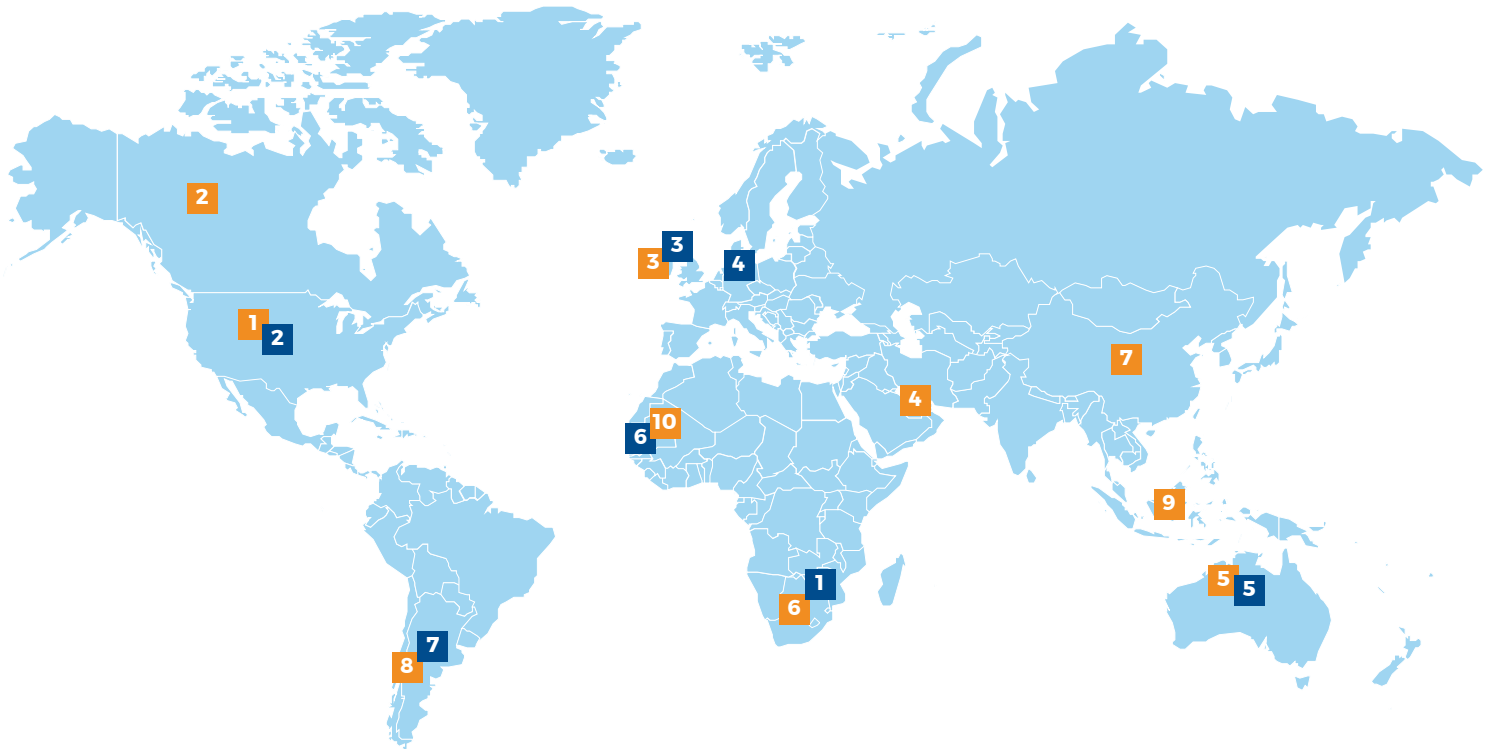


# SUCCESS MILESTONES.

A Step Towards Bettering the Tomorrow.



# EXTENSIVE GLOBAL FOOTPRINT



*\*This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.*

“ The Company enjoys an extensive global outreach through strategically placed subsidiaries and representative offices. It has maintained long-standing relationship with the globally renowned marque clients across cement and mining markets. ”

## Subsidiaries and representative offices

|    |              |
|----|--------------|
| 1  | USA          |
| 2  | Canada       |
| 3  | UK           |
| 4  | UAE          |
| 5  | Australia    |
| 6  | South Africa |
| 7  | China        |
| 8  | Chile        |
| 9  | Indonesia    |
| 10 | Ghana        |

## Global logistics network (Warehouses)

|   |              |
|---|--------------|
| 1 | South Africa |
| 2 | USA          |
| 3 | UK           |
| 4 | Netherlands  |
| 5 | Australia    |
| 6 | Ghana        |
| 7 | Chile        |

# 120+

## Global Presence



# LETTER FROM MANAGING DIRECTOR'S DESK



## Dear Shareholders,

The Financial Year 2020-21 was dominated by COVID-19 and it continued to test our individual and collective resilience. The health, safety and well-being of people has continued to be at the heart of our COVID-19 response. Being a Global Company providing critical solutions to diverse customers in more than 120 countries of the world in the Cement Segment and to more than 35 countries of the world in Mining Segment, it was the key focus area of the Company to ensure that there was no disruption in the supplies of our products and services to our customers, and I am happy to share that we have proved our resilience by ensuring that in spite of the challenging times where there were severe international travel restrictions for a major part of the year, there was no disruption from our side in fulfilling our supply commitments to the customers.

The year gone by was a challenging year by all the measures. While we seem to have come out of the second wave of the pandemic, the threat of the third wave is looming large in front of us. However, optimistically we feel that we should be able to face the third wave without causing any serious disruptions given the fact that the World is now seemingly much better equipped, having accepted the fact that continued recurrence of COVID-19 pandemic in medium to long term will be the "new normal" with which we all will have to learn to live on an ongoing basis.

“We have continued to work closely with our customers seeking to be long term Partners of those businesses where we can make the most meaningful difference”





Alongside the ongoing challenges of managing the pandemic, COVID-19 has accelerated sharper focus to respond to the longer-term trends impacting our business and ensuring that we could better adapt to the ongoing change and hope for a better tomorrow.

Our strengths in metallurgy, designing, massive global footprint and skilled talent base remain the core reason for our growth amidst the challenging times. As you all may be aware, we have developed a comprehensive solution portfolio for taking care of grinding and crushing needs of the Global Cement and Mining Industries, with the latter posing a massive opportunity of converting the mining companies worldwide from their conventional forged grinding media based solutions to the Hi-Chrome based solutions offered by the Company. There is a significant headroom available for conversion which is the core area of focus of our Company and we believe that we are now fully equipped through our multifaceted solutions portfolio to convert a large number of mines into Hi-Chrome use and thus gain a dominant market share over a medium to long term horizon in this space. The golden triangle: Application, Metallurgy and New Product Development help us deliver the exact need of our clientele. It also helps us reduce the operational costs and limit our environmental impact, which drives us towards fulfilling our main goal.

On the ongoing projects' front, the Company is setting up a manufacturing plant of Mill Liners with 50,000 Mt with an estimated CAPEX of ₹ 250 Crores. The Company's total installed capacity will be increased to 4,40,000 TPA from the present installed capacity of 3,90,000 TPA. Given the massive opportunity of growth in front of us, we will be continuously going on with new Capex plans for capacity augmentation. However, as we have been doing in the past, a bulk of it will continue to be financed through our internal accruals only - given a comfortable balance sheet and surplus cash position that we have been maintaining.

The Company has always believed in giving back to the society, and through its sustainable measures, the Company actively contributes to the Social, Economic and Environmental Development of the community in which the Company operates ensuring participation from the community and thereby creating value for the nation. It ensures socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become self-reliant and build a better tomorrow for themselves. It also ensures the environmental sustainability through ecological conservation and regeneration, protection & regrowth of endangered plant species and promoting biodiversity.

**3,90,000** Metric Ton  
**Current installed capacity**

Going ahead, we would continue to increase our focus on strengthening the total solution capabilities through our extensive and fully equipped R&D team. During the year, we also focused on improving productivity and employee morale, helping them adapt to the evolving time, the new regular post the pandemic.

With this note, I would like to thank all our stakeholders, investors, bankers, customers, suppliers and Government/Regulatory bodies for standing with us during the unthinkable situation happening around the globe. We promise to deliver value to all associated with us through ethical, sustainable and profitable means.

Best Wishes,

**Bhadresh K. Shah**

Managing Director,  
AIA Engineering Limited



# THE WINNING EDGE

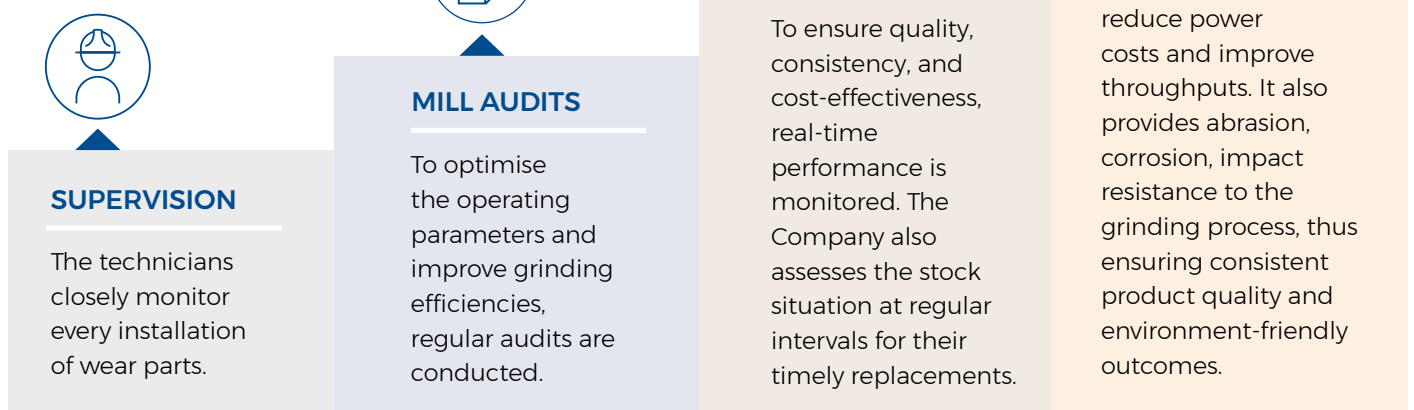
## Growth Strategy

“At AIA, the growth strategy is built on our robust business model, unique approach, and the capability to deliver niche solutions. For over three decades, the Company has made, nourished, sustained and grown its geographical footprint globally with its unique proposition fundamentals.”

## Enhancing value through solid customer satisfaction

The Company's philosophy lies in providing the customers' with optimised solutions through technical evaluation of their requirements, thereby providing them with precisely designed solutions.

The Company undergoes through these parameters for enhancing the customer experience and satisfaction:



## Enhancing value through expansion

Company is focused on enhancing shareholder value by pursuing growth which requires setting up of manufacturing facilities. Company is in the process of setting up a 50,000 Mt Greenfield plant for manufacture of mill liners used in grinding mills in Mines at an estimated outlay of INR 250 Crores. These parts will be offered as part of special solutions to mines whereby their throughput and costs can be reduced materially. Current capacity of the Company stands at 390,000 Mt.