



AIA Engineering Limited
32ND ANNUAL REPORT 2021-2022





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Investor Information

Market Capitalisation as at
31 March, 2022
₹ 15,351.58 Crores

CIN
L29259GJ1991PLC015182

BSE Code
532683

NSE Symbol
AIAENG

Bloomberg Code
AIAE:IN

AGM Date
12 September, 2022

AGM Mode
Video Conferencing (VC) and Other
Audio-Visual Means (OAVM)

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

Disclaimer: This document contains statements about expected future events of AIA Engineering Limited ('AIA' or 'the Company'), 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. The numbers presented in this report pertain to financial year 2021-22 unless specifically mentioned otherwise. 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.



OVER THE YEARS, OUR UNIQUE IDENTITY HAS GIVEN US A DISTINCTIVE EDGE.

OVER THE YEARS, WE HAVE MARKED A DOMINATING PRESENCE IN OUR INDUSTRY.

OVER THE YEARS, OUR STRATEGY HAS ALWAYS REMAINED CONSISTENT IN DELIVERING ENHANCED CUSTOMISED SOLUTIONS TO OUR CUSTOMERS.

OVER THE YEARS, WE HAVE REMAINED AHEAD OF THE CURVE, IN CONSISTENTLY LEVERAGING THE UNDERLYING INDUSTRIAL OPPORTUNITIES.

TODAY, OUR BUSINESS MODEL HAS EVOLVED IN CREATING ENHANCED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS.

Our Performance in 2021-22

TOTAL REVENUE

₹ **37,228.37**
million

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

₹ **8,772.35**
million

PROFIT AFTER TAXES (PAT)

₹ **6,196.18**
million

DIVIDEND

₹ **9**
Per Share (450%)

PROMOTERS' HOLDING

58.47%

TOTAL WORKFORCE

1,287





AIA ENGINEERING AT A GLANCE

AIA Engineering, a certified ISO 9001 Company, specialises in the design, development, production, installation, and servicing of high chromium wear, corrosion, and abrasion resistant castings for the cement, mining, and thermal power generating industries.

The Company offers custom designed solutions in ideal metallurgy for the application, as well as process optimisation services based on a technical assessment of our customer's needs. As an outcome of this approach, the Company has established itself among the industry leaders in terms of quality, services and innovation, earning a strong reputation as a global solution provider.

Engineering Solutions

CEMENT

The Company's origins is in the cement production business, where it has thrived for many years. AIA has a long history of delivering worn part solutions to the cement industry. AIA has developed expertise in metallurgy, grinding application, and component design and provides parts for tube mills and vertical mills. AIA's manufacturing approach improves component working life significantly as compared to standard procedures. With the Company's consistent success in this business, it has been able to develop innovative solutions that have been proven to reduce maintenance costs and increase customer cost-effectiveness.

THERMAL

The Company assists power plants throughout the world in lowering their generating costs by designing components that minimise downtime and maintenance expenses significantly. The Company manufactures wear components for pulverisers, which are used to grind and crush coal before it is fed into boilers at thermal power plants. Vertical mills and tube mills are used to pulverise coal in these plants. The Company has improved the production and composition of grinding media as well as shell liners as compared to conventionally produced media, resulting in efficiency gains of 200% to 300%. The Company has also been witnessing an impressive reduction in wear rate for its products.

MINING

Reduced downtime is critical for successful mining operations, thus wear components that perform harder and last longer are critical. The Company has developed unique alloys and manufacturing techniques for all types of minerals, including iron, gold, lead/zinc, bauxite, copper, phosphates, and others, offering enhanced wear components. Furthermore, the Company has developed mill lining solutions that enable clients to achieve better throughputs while reducing running costs such as electricity and wear components.

QUARRY

The Company has developed new alloys and manufacturing techniques for various types of minerals, including iron, gold, lead/zinc, bauxite, copper, and phosphates, to deliver enhanced wear components. This aids in the reduction of downtime, which is crucial to the success of quarrying operations.

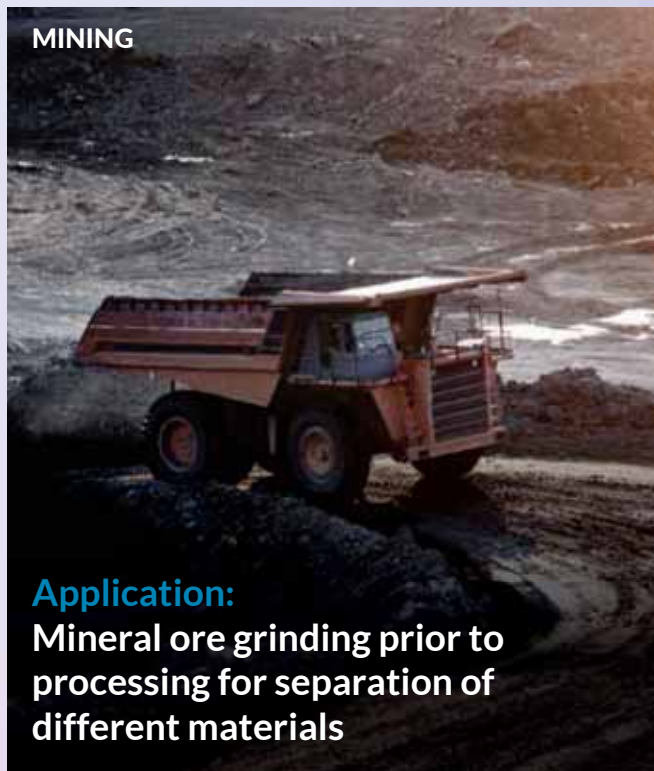


CEMENT



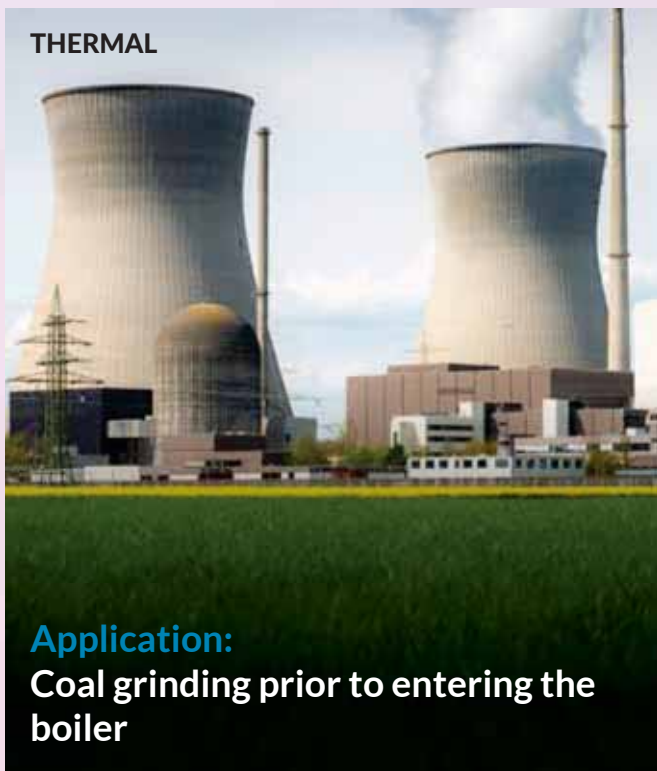
Application:
Grinding of limestone and cement

MINING



Application:
Mineral ore grinding prior to processing for separation of different materials

THERMAL



Application:
Coal grinding prior to entering the boiler

QUARRY



Application:
Crushing of aggregates





OUR JOURNEY



1978

Mr. Bhadresh K. Shah founded the Ahmedabad Induction Alloys Private Limited

1979

The Company began operations and started producing wear parts for cement and power plants

1985

Started production of high-chrome grinding media

1989

Began producing high chromium liners, level control diaphragms, and other diaphragms



1991

Ahmedabad Induction Alloys Private Limited was amalgamated with the Company, AIA

1996

Received ISO 9001 certification of Quality Management Systems

2003

AIA incorporated Vega ME as a wholly-owned subsidiary

2005

AIA got listed on Indian Stock Exchanges

2008

Moraiya, a greenfield facility with a capacity of 1,00,000 MT grinding media, was commissioned

2011

A new plant for mining liners and vertical mill parts was commissioned



2022

Installed 2 Wind Turbines of total 5.4 MW, taking total renewable energy capacity to 24.3 MW

2020

Obtained ISO 14001 certification for environmental management system and OHSAS 18001 certification for health and safety management system at our Moraiya and Kerala Plants

2019

Capacity enhancement by 50,000 MT at Kerala's GIDC plant

Installed 8 Wind Turbines of 2.1 MW each

2018

Developed mill lining solutions for mine

2017

Phase 1 of the Kerala GIDC, a greenfield facility near Ahmedabad for grinding media production, was commissioned

2014

Capacity was expanded to 2,60,000 MT at Moraiya facility





OUR GLOBAL FOOTPRINT

The Company is regarded as the International Quality Benchmark by most of its customers. It has a global footprint with its strategically located subsidiaries and representative offices. AIA is globally recognised name in the Engineering industry and enjoys long-standing partnerships with world-renowned marquee clients in the cement and mining sectors.

GLOBAL PRESENCE

120+



Disclaimer: 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 of connection to its accuracy or completeness.

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





MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

The year 2021-22 will be remembered as the year when the world began to slowly but steadily overcome the pandemic's challenges. Despite the pandemic, AIA Engineering's performance remained stable as the economy recovered. We were able to take advantage of our market-leading position, and it was our Company's primary emphasis area to ensure that our customers' supply of our products and services were not disrupted. We are pleased that our travel has prompted more dialogues with our clients, leading to the accomplishments we have made in a challenging year. The customer base grew, giving us the assurance that we are on the right track.

The fight against Covid-19 is far from over. As the economy settles and adjusts to the 'new normal', we expect mining and cement industries to pick up the activity and in turn drive requirements for our products. Our Company and our tenacious workforce have accepted the 'new normal' and have successfully adjusted, ensuring that AIA's operations and services are not disrupted. With widespread immunisations and stringent Covid-19 protocols in place, the world is considerably more prepared and has learned to meet all challenges head-on.

The mining bid was harmed as a result of the volume reductions from Canada and South Africa. In accordance with the steep rise in commodity prices, we have experienced considerable increases in



our input costs and freight. In response to the price increase, our Company has made efforts to pass on these costs to the customers.

We are pleased to announce that the brownfield expansion for grinding media which was on hold owing to Covid-19, has been restarted. With an extra outlay of ₹ 200 Crores, we are now seeking to add 80,000 tonnes of capacity. This is within our regular capital expenditure range. This type of addition will not only expand our capacities but will also help us earn recognition globally. The mill lining facility is in the trial phase and almost ready to go into production. The current capacity of 3,90,000 MT is expected to reach 5,20,000 MT post the successful expansion of our mill lining capacity and grinding media capacity. Given the huge scope for development that lies ahead of us, we will continue to develop fresh Capex plans for capacity expansion.

Sustainability is one of our Company's non-negotiables, and we actively contribute to the Social, Economic, and Environmental Development of the community in which we operate through our sustainable measures. We ensure the community's socio-economic development through a variety of participatory and need-based initiatives, such as providing quality education,

ensuring that they are digitally literate, and providing healthcare, all of which are in the best interests of the poor and deprived sections of society, allowing them to become self-sufficient and build a better future for themselves. We also ensure the long-term viability of the environment by preserving biodiversity, protecting and regrowing endangered plant species, and lowering our carbon footprint.

In the end, I would like to thank all our stakeholders for standing by us during the unthinkable situation happening around the globe. During the year, we also focused on improving productivity and employee morale. Going ahead, we will continue to focus on developing comprehensive solution capabilities through our large and well-equipped R&D team. We promise to deliver value to all associated with us through ethical, sustainable and profitable means.

Best Wishes,

Bhadresh K. Shah

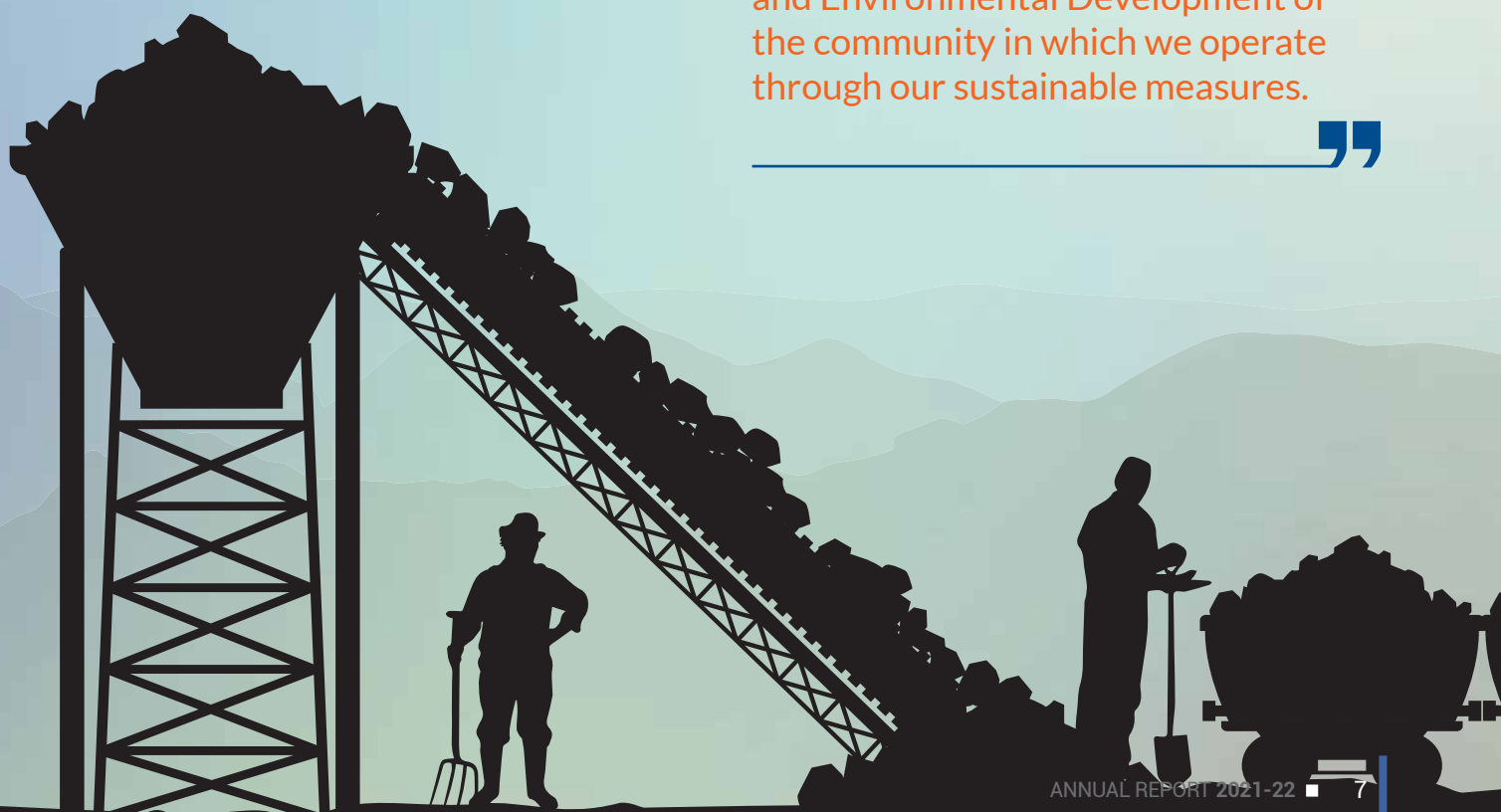
Managing Director

AIA Engineering Limited

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Sustainability is one of our Company's non-negotiables, and we actively contribute to the Social, Economic, and Environmental Development of the community in which we operate through our sustainable measures.

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VALUE-ACCRETIVE STRATEGIES

AIA has become one of the most successful companies in supplying and installing wear components because of our legacy and experience in grinding and crushing operations. The Company has created, nurtured, supported, and extended its geographical footprint internationally for over three decades with a unique value proposition, based on a growth strategy focused on a stable business model, unique approach, and capacity to supply specialty solutions.

Growth Strategies



CUSTOMER SATISFACTION

The Company's objective is to provide consumers with optimised solutions based on a technical assessment of their needs. The Company has enabled quality checks at various points to ensure increased customer satisfaction.

