



AIA Engineering Limited

28th Annual Report **2017-18**

Being
UNIQUE

Navigating THROUGH THE PAGES

Corporate Overview

- 02 AIA Engineering Ltd – Uniquely positioned
- 04 Our business model in action
- 06 Partnering with customers for operational excellence
- 08 From the MD's Desk
- 10 Financial Scorecard for 2017-18
- 12 Board of Directors
- 14 Care for the community

Statutory Reports

- 17 Board Report
- 59 Report on Corporate Governance
- 76 Management Discussion and Analysis

Financial Section

- 80 Standalone Auditor's Report
- 86 Standalone Balance Sheet
- 87 Standalone Statement of Profit and Loss Account
- 89 Standalone Cash Flow Statement
- 91 Standalone Notes
- 140 Consolidated Auditor's Report
- 146 Consolidated Balance Sheet
- 147 Consolidated Statement of Profit and Loss Account
- 150 Consolidated Cash Flow Statement
- 152 Consolidated Notes

INVESTOR INFORMATION

₹ **135,953.38** million ₹ **25,885.03** million
Market capitalisation as on 31st March 2018 Total revenue

1,226
Total number of permanent employees as on 31st March 2018

61.65 %
Promoters holding as on 31st March 2018

BSE Code: **532683**

NSE Symbol: **AIAENG**

Bloomberg Code: **AIAE:IN**

Dividend for 2017-18: **400 %**

AGM Date: 9th August, 2018 at 09:00 AM

AGM Venue: H. T. Parekh Convention Center, Ahmedabad Management Association, "ATIRA Campus", Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

For online version of this annual report, visit: <http://www.aiaengineering.com/financials.php>




Or
Scan the
QR Code



DISCLAIMER

This document contains statements about expected future events and financial and operating results 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 a number of 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's discussion and analysis of the AIA Engineering Limited Annual Report 2017-18.



An early mover, **WITH A CLEAR SENSE OF PURPOSE.**

Our strategy over the years has remained unchanged. We deliver enhanced value to our customers through customised solutions suited to their actual operating environment and that is how we intend to explore larger business opportunities lying ahead.

Being unique has given us a distinctive edge and has led us to mark a dominating presence in our industry. Since inception, our business model has aimed at delivering enhanced value to our customers and stakeholders. We remain on course to meet our strategic targets by enhancing customer experience in dealing with us.

₹
25,885.03
million

Total revenues in
2017-18

₹
6,575.15
million

EBIDTA in 2017-18

₹
4,436.21
million

PAT in 2017-18

EBIDTA: Earnings before Interest
Depreciation Taxes and Amortisation

PAT: Profit After Taxes

AIA ENGINEERING LTD

–Uniquely positioned

AIA Engineering Limited (AIA) is one of the global leaders in manufacturing value-added, impact abrasion and corrosion resistant High Chrome Mill Internals (HCMI).



CORE COMPETENCE

Engaged in designing, developing, manufacturing and installing abrasion and corrosion resistant castings.



FOCUS AREAS

- ▲ Metallurgy
- ▲ New product development
- ▲ Grinding process technology



PRODUCTS OFFERED

Grinding media, liners, diaphragms, and vertical mill parts (collectively referred to as mill internals). These products find application in grinding and crushing operations.



GLOBAL PRESENCE

AIA Group has a global customer footprint and directly serves an ever-expanding customer base in over 125 countries panning all continents of the world. Our customer relationship across the world are nurtured and strengthened by strategically placed subsidiaries and representative offices in USA, Canada, UK, UAE, Australia, South Africa, China, Chile, Indonesia etc.



INDUSTRY SEGMENTS



Mining

Grinding of mineral ore before it is processed for further metal separation



Cement

Grinding of limestone and clinker



Thermal power

Grinding of coal before feeding into the boiler



1991

Year of incorporation

52%

Revenues from mining sector

36%

Revenues from cement sector

12%

Revenues from thermal power sector

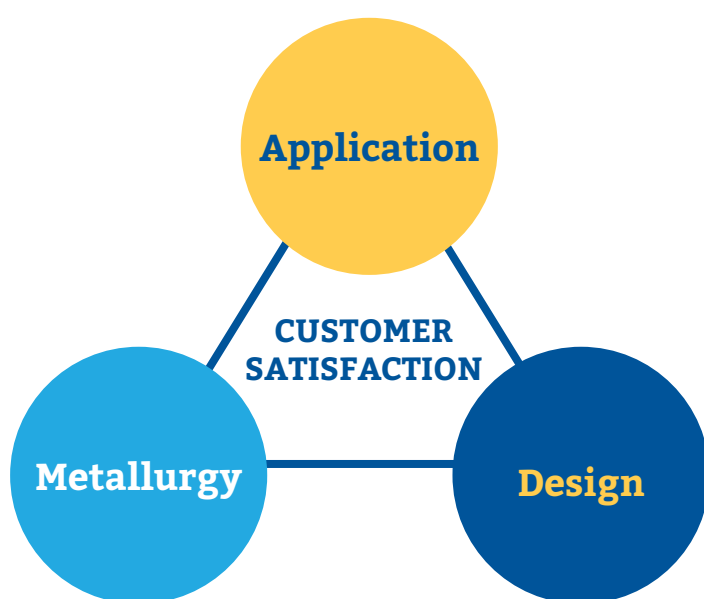
1,226

Permanent employees as on March 31, 2018



OUR BUSINESS MODEL IN ACTION

Our unique business model is the foundation which unifies our core strengths creating a strong platform for growth.



The golden triangle represents the Group's core competency – Knowledge of the end application, metallurgy and design. Our technical and service engineers, metallurgists and design engineers are one of the best in their craft.

Application

Understanding size reduction parameters of the crushing/milling equipment with a view to optimise grinding process and maintenance costs.

Metallurgy

Takes into consideration the three wear mechanisms – Impact, Corrosion & Abrasion.

Design

Implement precise design for perfect application.

CUSTOMER SATISFACTION

Supervising Installation

Installation of the wear parts supplied by the Company is done under the supervision of AIA technicians.

Optimisation of grinding systems

Conducting Mill audits with a view to optimise operating parameters and enhance grinding efficiencies.



The unique GROWTH STORY

2017

Completed GIDC Kerala Plant Phase - I

2016

Enhanced capacity to 3,40,000 MTPA by commissioning Phase - I of Kerala greenfield project

2014

Enhanced capacity to 2,60,000 MTPA at Moraiya facility

2013

Reached 1,00,000 MTPA annual sales to Mining Segment

2011

Enhanced capacity to 2,00,000 MTPA with a greenfield expansion

2009

Forayed into Mining Segment

2008

Commissioned 1,00,000 MTPA Grinding Media Plant at Moraiya

2001

Exited JV with a capacity 20,000 MTPA



PARTNERING WITH CUSTOMERS FOR OPERATIONAL EXCELLENCE

Our long-standing relationships with customers is a result of our constant interaction and involvement with them. We strengthen the customer's experience by offering customised applications through innovation and design changes.

TANGIBLE BENEFITS TO OUR CUSTOMERS:

- ▲ Longer wear life of parts, reducing wear costs
- ▲ Optimised mill operations, thereby reducing power costs and improving throughputs
- ▲ Abrasion, corrosion, impact resistance leading to grinding process
- ▲ Consistent end product quality



500+
Customers
across the
globe



Mining

Rio Tinto | Anglo American | BHP
Billiton | Vale | Arcelor Mittal |
Newmont Mining Corporation



Cement Plants

Lafarge | Holcim | Heidelberg |
Cemex | Italcementi | Polysius |
Votorantim



Thermal Power

National Thermal Power
Corporation | All State Electricity
Boards in India | Bharat Heavy
Electricals Limited | Doosan
Corporation | Larsen and Turbo |
Hitachi and Alstom

Unique offerings **READY CAPACITIES**

3,40,000
MTPA

Current
installed
capacity

1,00,000
MTPA

Greenfield
expansions
over the
next three
years

4,40,000
MTPA

Proposed
capacities
by FY20



From the MD'S DESK



At AIA, we understand the importance and criticality of the products we offer to the mining, cement and power segments.

Dear Shareholders,

I'm delighted to report another satisfactory year for AIA. We continue to pursue our focused strategy and we remain positive about the future opportunities we see.

Underlying our confident outlook are our strengths: deep domain knowledge in the areas of metallurgy, grinding process and part design, global foot-print in terms of direct engagement with the customer which is supplemented by subsidiaries, representative and sales office and warehouses in key geographies across the world, a talent base which is clinically focussed on adding value to customer through innovation across the value chain and a strong balance

