



AIA Engineering Limited

May 27, 2020

To,
The Manager (Listing),
The BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Script Code: 532683

To,
The Manager (Listing),
National Stock Exchange of India Limited
"Exchange Plaza", C-1 , Block – G,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Script Code: AIAENG

Dear Sir/Madam,

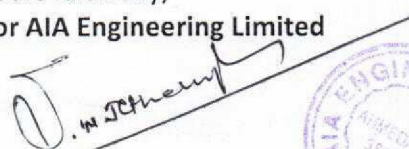
Sub: Disclosure of material impact of CoVID 19 pandemic under SEBI (LODR) Regulations, 2015

Pursuant to Regulation 30 of SEBI LODR and SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, Please find enclosed herewith the disclosure of material impact of CoVID 19 pandemic on AIA Engineering Ltd.

We request you to kindly take the aforesaid information on record.

Thanking you.

Yours faithfully,
For AIA Engineering Limited


S. N. Jetheliya
Company Secretary



Encl: as above

CIN : L29259GJ1991PLC015182

An ISO 9001 Certified Company
Corporate Office : 11-12, Sigma Corporates, B/h. HOF Showroom, Off S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054. Gujarat, INDIA. Ph.: +91-79-66047800 Fax: +91-79-66047818



AIA Engineering Limited

Impact on Account of Lock Down due to COVID 19: (AIAEL)

In view of the Lock down declared by MHA on account of threat of COVID 19 in many states across the country from 23rd March 2020, the operations of AIA's Plants and Offices at various locations had been temporarily under lock down. AIA restarted manufacturing operations at Company's plants located around Ahmedabad in early April and its plant at Trichy around second week of April 2020, while its Nagpur plant started in the 4th week of April 2020 in a staggered manner. AIA has developed comprehensive operating instructions for COVID-safe environment, and these are effectively implemented at all Plants. All support functions are operational and working from home.

We are happy to report that we have been able to export even during the lockdown period as we continue to remain a trusted partner to all our customers.

Business:

Manufacturing was operationalized in a staggered and restricted manner and is now at 70% pre-COVID capacity utilization and we are hopeful to enhance utilization progressively over next few weeks/months. As a strategy, we maintain stock at many locations closer to customers' plants and we are able to service customers from these warehouses.

We are carefully gauging the impact of this pandemic on our customers mainly comprising of Mining and Cement customers spread over more than 125 countries. While many countries, where our customers are based, had various levels of lockdown procedures, most of our customers' plants have largely continued their operations, though at a subdued level, as Cement and Mining are both classified as essential commodities.

In our view, both Cement and Mining industries have been impacted in varying degrees by the pandemic related contraction and its knock-on effects on global supply chains. The ripple effect of this, like on most industries, is also faced by our customers and, by extension, by us. We have seen lower off take in the months of April and May and it is difficult to estimate how soon things will revert to normal. However, with Cement and Mineral Ores' end use in infrastructure and other essential requirements, along with the massive fiscal stimulus packages offered by all major Countries for Economic revival, we expect consumption to ease back earlier than many other products which are discretionary in nature.



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An ISO 9001 Certified Company

We are in close contact with our customers through online tools and remain committed to partnering with them in their process optimization journey.

Financial Update:

AIA is very conscious of operating costs and has taken measures to ensure that optimal cost structure is maintained. As against our monthly overheads, we have a significantly larger base of Cash reserves. This and our deeply committed staff have ensured that AIA will face this pandemic with confidence.

Our working capital is in line with historical cycle with most customers paying us as per terms. We continue to make payments to our vendors as per our obligation to make sure they are supported at this hour of need.

Capex Plans:

Mining Liners:

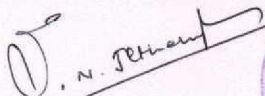
We are in midst of setting up Greenfield plant for manufacture of Mill Lining with work and spend done on the same in FY 2019-20. We will continue on this project in this fiscal year with estimated spend of INR 150 crs in FY 2020-21 with likely commissioning before March 2021.

Grinding Media:

In line with various un-certainties, we have decided not to break ground on the second phase of greenfield capacity expansion of 50,000 Mt of Grinding Media. This will most likely be deferred to the next fiscal year.

Our priorities remain the health and safety of our people and all our stakeholders and we will strive to continue to serve our customers. The situation remains fluid, and as the duration and scope of COVID-19 continues to evolve, it is not possible to estimate the full extent of its impact on our business at this time. The Company will continue to monitor all material changes as the situation evolves.

For AIA Engineering Limited



S. N. Jetheliya
Company Secretary

