



AIA Engineering Limited

November 2, 2020

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy 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,

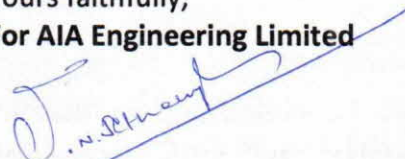
Sub: Unaudited Financial Results for the Quarter/Half Year ended September 30, 2020 as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Unaudited Financial Results [Standalone and Consolidated] of the Company for the Quarter/Half Year ended September 30, 2020 alongwith Limited Review Reports [Standalone and Consolidated] taken on record by the Board of Directors of the Company in its meeting held today i.e. November 2, 2020, which was commenced at 11.00 a.m. and concluded at 02.00 p.m.

Please take the same 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

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Registered Office : 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad - 382410. Gujarat, INDIA.
Ph.: +91-79-22901078 Fax : +91-79-22901077 | www.aiaengineering.com, E-mail : ric@aiaengineering.com

AIA ENGINEERING LIMITED

Regd. Office.: 115, GVMM Estate, Odhav Road, Ahmedabad 382 410; CIN: L29259GJ1991PLC015182

Ph. 079-22901078; Fax: 079-22901077; E-mail: ric@aiaengineering.com; Website: www.aiaengineering.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-2020	30-Jun-2020	30-Sep-2019	30-Sep-2020	30-Sep-2019	31-Mar-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from sale of products	65,818.93	47,192.38	60,388.61	113,011.31	118,652.17	249,806.44
	Other operating revenue	2,241.59	1,892.20	2,024.45	4,133.79	3,976.62	8,956.00
	a) Total revenue from operations	68,060.52	49,084.58	62,413.06	117,145.10	122,628.79	258,762.44
	b) Other income	2,098.56	5,989.58	11,306.78	8,088.14	14,598.68	48,548.45
	Total income (a+b)	70,159.08	55,074.16	73,719.84	125,233.24	137,227.47	307,310.89
2	Expenses						
	a) Cost of materials consumed	27,962.69	18,697.36	22,920.27	46,660.05	49,959.84	102,942.55
	b) Purchase of stock-in-trade	614.49	1,194.63	2,922.45	1,809.12	6,062.59	10,203.44
	c) Changes in inventories of finished goods and work-in-progress	(2,420.98)	(16.81)	2,641.09	(2,437.79)	476.16	4,455.26
	d) Employee benefits expense	2,449.91	2,477.45	2,505.19	4,927.36	4,875.57	9,953.04
	e) Finance costs	117.32	126.85	138.67	244.17	273.21	519.89
	f) Depreciation and amortisation expense	2,266.94	2,446.21	2,151.43	4,713.15	4,466.64	9,551.24
	g) Other expenses	20,129.12	13,285.86	17,409.68	33,414.98	35,609.95	73,944.44
	Total expenses (a+b+c+d+e+f+g)	51,119.49	38,211.55	50,688.78	89,331.04	101,723.96	211,569.86
3	Profit before tax (1-2)	19,039.59	16,862.61	23,031.06	35,902.20	35,503.51	95,741.03
4	Tax expense						
	(i) Current tax	4,992.10	6,176.91	2,304.75	11,169.01	6,155.00	14,250.45
	(ii) Deferred tax	(264.79)	(1,866.13)	(1,876.46)	(2,130.92)	(1,594.86)	(1,762.39)
	Total tax expense (i+ii)	4,727.31	4,310.78	428.29	9,038.09	4,560.14	12,488.06
5	Profit for the period (3-4)	14,312.28	12,551.83	22,602.77	26,864.11	30,943.37	83,252.97
6	Other comprehensive income / (loss):						
	(i) Items that will not be reclassified to statement of profit and loss	116.28	(72.00)	(207.33)	44.28	(204.09)	(287.76)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(29.26)	18.12	-	(11.14)	-	-
	(iii) Items that will be reclassified to statement of profit and loss	(450.43)	(608.90)	131.64	(1,059.33)	(196.61)	647.65
	(iv) Income tax relating to items that will be reclassified to statement of profit and loss	113.36	153.25	32.20	266.61	146.90	(97.28)
7	Total other comprehensive income / (loss) (net of tax)	(250.05)	(509.53)	(43.49)	(759.58)	(253.80)	262.61
8	Total comprehensive income for the period (5+7)	14,062.23	12,042.30	22,559.28	26,104.53	30,689.57	83,515.58
9	Paid-up equity share capital - face value of ₹ 2 each	1,886.41	1,886.41	1,886.41	1,886.41	1,886.41	1,886.41
10	Other equity						359,338.75
11	Earnings per equity share (EPS) in ₹ (not annualised)						
	Basic	15.17	13.31	23.96	28.48	32.81	88.27
	Diluted	15.17	13.31	23.96	28.48	32.81	88.27

- Notes :**
- The above unaudited standalone financial results for the quarter and half year ended 30 September 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on 2 November 2020. These unaudited standalone financial results have been subjected to Limited review by the statutory auditors of the Company. The statutory auditors have expressed an unmodified conclusion.
 - The unaudited standalone financial results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment Rules), 2016.
 - The Company had decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the previous financial year. Accordingly, the provision for income tax and deferred tax balances have been recorded/remeasured using the new tax rate and the resultant impact is recognised during previous financial year. Pursuant to the selection of this option, the Company had reversed deferred tax liabilities amounting to ₹ 2,066.17 lakhs due to reduction in corporate tax rate during the quarter and half year ended 30 September 2019.
 - The Company has only one reportable primary business segment as per IND AS 108 - "Operating Segments", i.e., Manufacturing of High Chrome Mill Internals.
 - The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely to impact the contributions made by the Company towards Provident Fund and Gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.
 - The Company's manufacturing Units have resumed operations. The Company continues to monitor the impact of COVID-19 on its business including customers, supply-chain, employees/workers and logistics. The Company has considered internal and external information while evaluating various estimates in relation to its financial results up to the date of its approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. The further impact of the COVID-19 Pandemic, if any, may be different from estimated as at the date of approval of this unaudited standalone financial results.
 - Refer Annexure-I for Standalone Statement of Assets and Liabilities as at 30 September 2020.
 - Refer Annexure-II for Standalone Statement of Cash Flows for the period ended 30 September 2020.
 - Figures for the previous period have been regrouped, reclassified and restated wherever necessary to make them comparable with the current period's figures.

**By Order of Board of Directors
For AIA Engineering Limited**

(Signature)
**(Bhadresh K. Shah)
Managing Director
DIN:00058177**



Place: Ahmedabad
Date: 2 November 2020

AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

Annexure - I : Standalone Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
ASSETS		
(I) Non-current assets		
(a) Property, plant and equipment	77,803.83	81,521.75
(b) Right of use asset	3,827.02	4,171.45
(c) Capital work-in-progress	9,341.68	3,234.93
(d) Goodwill	460.69	460.69
(e) Other intangible assets	331.00	344.75
(f) Financial assets		
(i) Investments	40,010.23	1,578.62
(ii) Trade receivables	395.21	264.77
(iii) Loans	594.50	584.36
(g) Other tax assets (net)	2,558.13	2,416.53
(h) Other non-current assets	4,517.17	5,125.41
Total non-current assets	139,839.46	99,703.26
(II) Current assets		
(a) Inventories	45,792.23	43,504.09
(b) Financial assets		
(i) Investments	89,638.71	141,763.55
(ii) Trade receivables (net)	93,817.12	96,831.22
(iii) Cash and cash equivalents	3,890.81	3,881.10
(iv) Bank balances other than (iii) above	50,580.08	578.63
(v) Loans	219.05	233.03
(vi) Derivatives	267.07	-
(vii) Other financial assets	3,554.06	3,861.47
(c) Other current assets	6,633.02	9,081.90
Total current assets	294,392.15	299,734.99
Total assets	434,231.61	399,438.25
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,886.41	1,886.41
(b) Other equity	385,443.28	359,338.75
Equity attributable to owners of the Company	387,329.69	361,225.16
LIABILITIES		
(I) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	560.86	1,044.54
(b) Provisions	744.23	725.13
(c) Deferred tax liabilities (net)	5,934.02	7,769.04
Total non-current liabilities	7,239.11	9,538.71
(II) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	15,900.00	9,294.66
(ii) Lease liabilities	526.63	363.87
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,615.84	1,354.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,293.71	10,163.08
(iv) Derivatives	-	873.88
(v) Other financial liabilities	3,600.14	3,829.31
(b) Other current liabilities	1,318.24	1,771.40
(c) Provisions	233.16	645.40
(d) Current tax liabilities (net)	4,175.09	378.16
Total current liabilities	39,662.81	28,674.38
Total equity and liabilities	434,231.61	399,438.25



AIA ENGINEERING LIMITED
CIN : L29259GJ1991PLC015182

Annexure - II : Standalone Statement of Cash Flows

	Half Year Ended 30 September 2020 (Unaudited)	Half Year Ended 30 September 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
(₹ in lakhs)			
A. Cash flow from operating activities:			
Profit before tax	35,902.20	35,503.51	95,741.03
Add / (less): adjustments			
Interest income	(1,416.89)	(539.94)	(1,588.24)
Dividend income	-	(8,536.53)	(33,974.07)
Profit on sale of current investments	(3,237.12)	(1,813.56)	(3,216.11)
Fair valuation of current investments	(872.94)	(1,702.93)	(3,831.49)
Unrealised loss / (gain) on foreign exchange fluctuation (net)	918.82	(47.26)	(1,577.22)
Loss on sale / disposal of Property, plant and equipment and right of use assets (net)	60.35	5.89	(6.87)
Sundry balances (written back) / written off (net)	(1.99)	(23.30)	(117.56)
Bad debts	-	11.06	11.06
Depreciation and amortisation	4,713.15	4,466.64	9,551.24
Finance costs	244.17	273.21	519.89
Provision for product warranties	63.35	57.28	108.67
Provision for doubtful receivables	62.08	-	127.09
	36,435.18	27,654.07	61,747.42
Changes in working capital:			
(Increase) / Decrease in trade receivable	(860.01)	15,235.77	(2,205.43)
(Increase) / Decrease in loans	3.84	(1.38)	(43.43)
(Increase) / Decrease in other non-current assets	-	(1.50)	882.82
(Increase) / Decrease in inventories	(2,288.14)	(3,131.17)	2,267.44
Decrease in other financial assets	253.33	3,110.98	2,786.02
Decrease in other current assets	2,448.88	3,849.56	1,604.81
Increase/ (Decrease) in provisions	(412.21)	204.80	35.13
Increase/ (Decrease) in trade payables	2,384.63	(4,598.50)	(3,523.84)
Increase in other financial liabilities	255.20	290.52	133.03
Increase/ (Decrease) in other current liabilities	(453.17)	(163.06)	7.41
Cash generated from operations	37,767.53	42,450.09	63,691.38
Income taxes paid (net of refunds)	(6,962.31)	(7,513.24)	(14,539.84)
Net cash generated from operating activities (A)	30,805.22	34,936.85	49,151.54
B. Cash flow from investing activities:			
Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(6,848.55)	(8,008.41)	(12,860.93)
Proceeds from sale of property, plant and equipment	31.76	8.42	25.44
(Purchase of) / proceeds from sale of investments (net)	18,415.01	(19,973.89)	(27,138.61)
(Investment in) / Redemption of fixed deposits with bank (net)	(49,999.53)	(12.59)	59.48
Interest income	859.25	516.84	1,679.59
Dividend income	-	8,536.53	33,974.07
Net cash (used in) investing activities (B)	(37,542.06)	(18,933.10)	(4,260.96)
C. Cash flow from financing activities:			
Proceeds from / (Repayment) of current borrowings (net)	6,903.42	(6,183.86)	(2,291.51)
Repayment non-current borrowings	-	(21.87)	(21.87)
Dividends paid (including taxes on dividend)	-	(9,978.14)	(39,895.03)
Finance costs paid	(177.42)	(296.23)	(389.89)
Repayment of lease liabilities	(244.36)	(113.23)	(426.05)
Net cash (used in) / generated from financing activities (C)	6,481.64	(16,593.33)	(43,024.35)
D. Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(255.20)	(589.58)	1,866.23
E. Add : Cash and cash equivalents at the beginning of the year / period	3,881.10	2,066.48	2,066.48
F. Less: Foreign exchange (loss) / gain on restatement of cash and cash equivalents	264.91	(0.31)	(51.61)
G. Cash and cash equivalents at the end of the year / period (refer note 1 below)	3,890.81	1,476.59	3,881.10

Note : The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS-7, "Statement of Cash Flows".

	As at 30 September 2020 (Unaudited)	As at 30 September 2019 (Unaudited)	As at 31 March 2020 (Audited)
(₹ in lakhs)			
Note 1:			
1 Cash and cash equivalents include:			
Balances with banks	3,881.60	1,469.85	3,870.44
Cash on hand	9.21	6.74	10.66
	3,890.81	1,476.59	3,881.10



B S R & Co. LLP

Chartered Accountants

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Pralhadnagar, Corporate Road,
Ahmadabad 380 051
India

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Limited Review Report on Unaudited Quarterly Standalone Financial Results and Standalone year-to-date results of AIA Engineering Limited pursuant to Regulation 33 of the of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of AIA Engineering Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of AIA Engineering Limited ("the Company") for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 ("the Statement") being submitted by the Company pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022



Rupen Shah

Partner

Membership No. 116240

ICAI UDIN:20116240AAAADC4193

Place: Ahmedabad

Date: 2 November 2020

AIA ENGINEERING LIMITED

Regd. Office.: 115, GVMM Estate, Odhav Road, Ahmedabad 382 410; CIN: L29259GJ1991PLC015182

Ph. 079-22901078; Fax: 079-22901077; E-mail: ric@aiaengineering.com; Website: www.aiaengineering.com

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from sale of products	71,988.75	56,142.13	67,634.56	128,130.88	139,008.92	289,131.75
	Other operating revenue	2,243.61	1,892.54	2,024.45	4,136.15	3,976.62	8,956.00
	a) Total revenue from operations	74,232.36	58,034.67	69,659.01	132,267.03	142,985.54	298,087.75
	b) Other income	2,476.89	7,475.59	2,807.95	9,952.48	6,671.59	14,191.00
	Total Income (a+b)	76,709.25	65,510.26	72,466.96	142,219.51	149,657.13	312,278.75
2	Expenses						
	a) Cost of materials consumed	29,639.41	20,016.57	24,819.91	49,655.98	55,187.49	111,589.77
	b) Changes in inventories of finished goods and work-in-progress	(4,533.83)	2,767.82	2,981.72	(1,766.01)	1,286.97	5,757.10
	c) Employee benefits expense	3,337.19	3,315.65	3,429.69	6,652.84	6,635.18	13,438.76
	d) Finance costs	124.76	140.78	152.45	265.54	295.43	558.75
	e) Depreciation and amortisation expense	2,331.71	2,511.23	2,221.35	4,842.94	4,583.57	9,787.92
	f) Other expenses	26,762.19	19,586.23	23,021.67	46,348.42	47,608.38	99,274.02
	Total expenses (a+b+c+d+e+f)	57,661.43	48,338.28	56,626.79	105,999.71	115,597.02	240,406.32
3	Profit before tax and Exceptional Items (1-2)	19,047.82	17,171.98	15,840.17	36,219.80	34,060.11	71,872.43
4	Less: Exceptional Items [Refer Note (iv)]	369.10	-	-	369.10	-	-
5	Profit before tax (3-4)	18,678.72	17,171.98	15,840.17	35,850.70	34,060.11	71,872.43
6	Tax expense						
	(i) Current tax	5,003.08	6,197.18	2,360.67	11,200.26	6,221.43	14,300.02
	(ii) Excess provision for tax of earlier periods written back	-	-	-	-	-	(5.27)
	(iii) Deferred tax	(668.93)	(1,958.44)	(1,719.80)	(2,627.37)	(1,315.15)	(1,454.33)
	Total tax expense (i+ii+iii)	4,334.15	4,238.74	640.87	8,572.89	4,906.28	12,840.42
7	Profit for the period (5-6)	14,344.57	12,933.24	15,199.30	27,277.81	29,153.83	59,032.01
8	Other comprehensive income / (loss):						
	(i) Items that will not be reclassified to statement of profit and loss	120.93	(76.65)	(206.01)	44.28	(201.46)	(306.37)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(30.43)	19.29	(0.44)	(11.14)	(0.87)	4.68
	(iii) Items that will be reclassified to statement of profit and loss	(1,108.99)	(837.76)	350.31	(1,946.75)	(1,377.15)	5.27
	(iv) Income tax relating to items that will be reclassified to statement of profit and loss	113.36	153.25	32.20	266.61	146.90	(97.28)
9	Total other comprehensive income / (loss) (net of tax)	(905.13)	(741.87)	176.06	(1,647.00)	(1,432.58)	(393.70)
10	Total comprehensive income for the period (7+9)	13,439.44	12,191.37	15,375.36	25,630.81	27,721.25	58,638.31
11	Net profit / (loss) attributable to:						
	a) Owners of the Group	14,396.63	12,926.74	15,224.26	27,323.37	29,264.21	59,035.80
	b) Non-Controlling Interest	(52.06)	6.50	(24.96)	(45.56)	(110.38)	(3.79)
12	Other comprehensive income / (loss) attributable to:						
	a) Owners of the Group	(906.01)	(740.99)	175.84	(1,647.00)	(1,433.02)	(390.20)
	b) Non-Controlling Interest	0.88	(0.88)	0.22	-	0.44	(3.50)
13	Total comprehensive income / (loss) attributable to:						
	a) Owners of the Group	13,490.62	12,185.75	15,400.10	25,676.37	27,831.19	58,645.60
	b) Non-Controlling Interest	(51.18)	5.62	(24.74)	(45.56)	(109.94)	(7.29)
14	Paid-up equity share capital - face value of ₹ 2 each	1,886.41	1,886.41	1,886.41	1,886.41	1,886.41	1,886.41
15	Other equity						368,242.23
16	Earning per equity share (EPS) in ₹ (not annualised)						
	Basic	15.26	13.71	16.14	28.97	31.03	62.59
	Diluted	15.26	13.71	16.14	28.97	31.03	62.59

Notes:

- (i) The above unaudited consolidated financial results for the quarter and half year ended 30 September 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on 2 November 2020. These unaudited consolidated financial results are subjected to Limited Review by the statutory auditors of the Company. The statutory auditors have expressed an unmodified conclusion.
- (ii) The unaudited consolidated financial results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment Rules), 2016.
- (iii) This unaudited consolidated financial results comprise of the results / financial information of the Holding Company, i.e., AIA Engineering Limited, and its subsidiaries namely - Welcast Steels Limited - India, AIA CSR Foundation - India, Vega Industries (Middle East) F.Z.C. - U.A.E., Vega Industries Limited - U.K., Vega Industries Limited - U.S.A., Vega Steel Industries (RSA) (PTY.) Limited - South Africa, Wuxi Vega Trade Co., Limited - China, PT. Vega Industries Indonesia - Indonesia, Vega Industries Chile SPA - Chile, AIA Ghana Limited - Ghana and Vega Industries Australia Pty. Ltd. - Australia.
- (iv) During the current quarter, Welcast Steels Limited ('WSL'), a subsidiary company, has decided to permanently close its only factory.

Accordingly, standalone financial results of WSL for the quarter and half year ended 30 September 2020, as consolidated in this unaudited consolidated financial results of the Holding Company, has not been prepared on going concern basis. All the non-financial assets and liabilities of WSL have been recognised at lower of cost or realisable value and all financial assets and liabilities continue to be recognized at fair value or amortised cost adjusted for any loss allowances. This has resulted into an exceptional charge aggregating to ₹ 369.10 lakhs in consolidated statement of profit and loss which comprise of closure compensation and impairment of non-current assets.



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

(v) The Holding Company had decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from previous financial year. Accordingly, the provision for income tax and deferred tax balances were recorded / remeasured using the new tax rate and the resultant impact was recognised during previous financial year. Pursuant to the selection of this option, the Holding Company reversed deferred tax liabilities amounting to ₹ 2,066.17 lakhs due to reduction in corporate tax rate during the quarter and half year ended 30 September 2019.

Welcast Steels Limited, a subsidiary of the Holding Company has decided to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from previous financial year. Accordingly, the provision for income tax and deferred tax balances have been recorded / remeasured using the new tax rate and the resultant impact is recognised during the previous financial year which is not material to the audited consolidated financial results of the Group.

(vi) The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely to impact the contributions made by the Company towards Provident Fund and Gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

(vii) The Group has only one reportable primary business segment as per Ind AS 108 - "Operating Segments", i.e., Manufacturing of High Chrome Mill Internals.

(viii) The Group's manufacturing units have resumed operations. The Group continues to monitor the impact of COVID-19 on its business including customers, supply-chain, employees/workers and logistics. The Group has considered internal and external information while evaluating various estimates in relation to its financial results upto the date of its approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. The further impact of the COVID-19 Pandemic, if any, may be different from estimated as at the date of approval of these unaudited consolidated financial results.

(ix) Refer Annexure-I for Consolidated Statement of Assets and Liabilities as at 30 September 2020.

(x) Refer Annexure-II for Consolidated Statement of Cash Flows for the period ended 30 September 2020.

(xi) Figures for the previous period have been regrouped, reclassified and restated wherever necessary to make them comparable with the current period's figures.

Place: Ahmedabad
Date: 2 November 2020



By Order of Board of Directors
For AIA Engineering Limited

A handwritten signature in black ink, appearing to be 'Bh' followed by a flourish.

(Bhadresh K. Shah)
Managing Director
DIN:00058177

AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

Annexure - I : Consolidated Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
ASSETS		
(I) Non-current assets		
(a) Property, plant and equipment	78,484.50	82,383.85
(b) Right of use assets	3,882.59	4,236.89
(c) Capital work-in-progress	9,341.68	3,234.93
(d) Goodwill	460.69	460.69
(e) Goodwill on consolidation	1,526.10	1,535.88
(f) Other intangible assets	333.94	348.34
(g) Financial assets		
(i) Investments	38,517.49	85.88
(ii) Trade receivables	395.21	264.77
(iii) Loans	1,028.66	1,018.52
(h) Deferred tax assets	77.33	68.61
(i) Other tax assets (net)	3,075.67	2,849.33
(j) Other non-current assets	4,705.57	5,313.81
Total non-current assets	141,829.43	101,801.50
(II) Current assets		
(a) Inventories	79,775.40	77,812.22
(b) Financial assets		
(i) Investments	92,748.64	141,763.55
(ii) Trade receivables (net)	49,788.21	64,818.58
(iii) Cash and cash equivalents	20,508.76	14,849.19
(iv) Bank balances other than (iii) above	50,649.21	632.98
(v) Loans	372.49	433.43
(vi) Derivatives	267.07	-
(vii) Other financial assets	3,594.69	3,889.41
(c) Other current assets	7,789.77	10,217.92
Total current assets	305,494.24	314,417.28
Total assets	447,323.67	416,218.78
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,886.41	1,886.41
(b) Other equity	393,912.68	368,242.23
Equity attributable to owners of the Company	395,799.09	370,128.64
(c) Non-controlling interest	881.79	925.23
Total equity	396,680.88	371,053.87
LIABILITIES		
(I) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	573.57	1,057.25
(b) Provisions	968.98	1,104.12
(c) Deferred tax liabilities (net)	4,416.35	6,738.80
Total non-current liabilities	5,958.90	8,900.17
(II) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	16,110.00	9,694.66
(ii) Lease liabilities	566.94	419.23
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,615.84	1,360.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,198.64	12,281.42
(iv) Derivatives	-	873.88
(v) Other financial liabilities	3,682.33	3,939.89
(b) Other current liabilities	2,246.69	4,863.86
(c) Provisions	2,030.44	2,424.68
(d) Current tax liabilities (net)	4,233.01	406.40
Total current liabilities	44,683.89	36,264.74
Total equity and liabilities	447,323.67	416,218.78



AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

Annexure - II : Consolidated Statement of Cash Flows

(₹ in lakhs)

	Half Year ended 30 September 2020 (Unaudited)	Half Year ended 30 September 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
A. Cash flow from operating activities:			
Profit before tax	35,850.70	34,060.11	71,872.43
Add / (less): Adjustments			
Exceptional Items	369.10	-	-
Interest income	(1,492.04)	(833.70)	(2,132.32)
Profit on sale of current investments	(3,237.12)	(1,813.56)	(3,388.23)
Fair value of current investments	(872.94)	(1,844.65)	(3,823.28)
Unrealised loss / (gain) on foreign exchange fluctuation (net)	860.59	(47.26)	(1,740.44)
Loss / (gain) on sale / disposal of Property, plant and equipment and right of use assets	60.35	(36.71)	(57.25)
Sundry balances written back (net)	(42.38)	(23.30)	(268.13)
Bad debts	-	11.06	11.06
Depreciation and amortisation	4,842.94	4,583.57	9,787.92
Finance costs	265.54	295.43	558.75
Provision for product warranties	99.35	108.53	242.06
Provision for doubtful trade receivables	62.08	-	127.09
Foreign currency fluctuation on translation of foreign operations	(891.22)	(1,160.85)	(613.49)
	<u>35,874.95</u>	<u>33,298.67</u>	<u>70,576.17</u>
Changes in working capital:			
Decrease in trade receivables	10,927.37	17,656.43	10,451.19
(Increase) / Decrease in loans	50.80	10.65	(62.60)
(Increase) / Decrease in other non-current assets	-	(1.40)	883.12
(Increase) / Decrease in inventories	(1,963.18)	(2,827.98)	779.72
Decrease in other financial assets	253.33	3,110.98	2,786.02
Decrease in other current assets	2,428.15	4,905.97	2,286.40
Increase / (Decrease) in provisions	(584.45)	216.68	194.30
Increase / (Decrease) in trade payables	1,953.71	(5,759.80)	(3,893.07)
Increase in other financial liabilities	226.82	199.61	126.21
Increase / (Decrease) in other current liabilities	(2,617.17)	345.23	(1,265.51)
Cash generated from operations	<u>46,550.33</u>	<u>51,155.04</u>	<u>82,861.95</u>
Income taxes paid (net of refunds)	<u>(7,048.32)</u>	<u>(7,616.98)</u>	<u>(14,929.03)</u>
Net cash generated from operating activities (A)	<u>39,502.01</u>	<u>43,538.06</u>	<u>67,932.92</u>
B. Cash flow from investing activities:			
Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(6,862.34)	(8,235.32)	(13,200.62)
Proceeds from sale of property, plant and equipment	31.76	73.66	98.87
(Purchase of) / proceeds from sale of investments	15,305.07	(21,613.24)	(20,448.91)
Interest income	921.72	799.77	2,304.05
(Investment in) / Redemption of fixed deposits with bank (net)	(50,014.31)	104.60	171.53
Net cash used in investing activities (B)	<u>(40,618.10)</u>	<u>(28,870.53)</u>	<u>(31,075.08)</u>
C. Cash flow from financing activities:			
Proceeds from / (Repayment) of current borrowings (net)	6,713.42	(5,968.86)	(2,011.51)
Repayment non-current borrowings	-	(21.87)	(21.87)
Dividends paid (including taxes on dividend)	-	(9,985.44)	(39,909.43)
Finance costs paid	(197.27)	(318.45)	(424.33)
Repayment of lease liabilities	(293.63)	(147.91)	(512.28)
Net cash generated from / (used in) financing activities (C)	<u>6,222.52</u>	<u>(16,442.53)</u>	<u>(42,879.42)</u>
D. Net (decrease) / increase in cash and cash equivalents (A+B+C)	5,106.43	(1,775.00)	(6,021.58)
E. Add : Cash and cash equivalents at the beginning of the period / year	14,849.19	20,830.85	20,830.85
F. Less: Foreign exchange (loss) / gain on restatement of cash and cash equivalents	553.14	(0.29)	39.92
G. Cash and cash equivalents at the end of the period / year (refer note 1 below)	<u>20,508.76</u>	<u>19,055.56</u>	<u>14,849.19</u>

Note: The above Consolidated Statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS-7, "Statement of Cash Flows".

Note 1:

	As at 30 September 2020 (Unaudited)	As at 30 September 2019 (Unaudited)	As at 31 March 2020 (Audited)
1 Cash and cash equivalents include:			
Balances with banks	20,397.82	18,685.76	14,735.44
Balances with bank in fixed deposit accounts	100.00	359.98	100.00
Cash on hand	10.94	9.82	13.75
	<u>20,508.76</u>	<u>19,055.56</u>	<u>14,849.19</u>



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Limited review report on Unaudited Quarterly Consolidated Financial Results and Consolidated year-to-date results of AIA Engineering Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of AIA Engineering Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of AIA Engineering Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. no.	Name of entity	Country	Relationship
1	Welcast Steels Limited	India	Subsidiary
2	Vega Industries (Middle East) F.Z.C.	U.A.E.	Wholly owned subsidiary
3	AIA CSR Foundation	India	Wholly owned subsidiary
4	Vega Industries Limited	U.K.	Step down subsidiary
5	Vega Industries Limited	U.S.A.	Step down subsidiary
6	Vega Steel Industries (RSA) PTY Limited	South Africa	Step down subsidiary
7	Wuxi Vega Trade Co. Limited	China	Step down subsidiary
8	PT. Vega Industries Indonesia	Indonesia	Step down subsidiary
9	Vega Industries Chile SpA	Chile	Step down subsidiary
10	AIA Ghana Limited	Ghana	Step down subsidiary
11	Vega Industries Australia PTY Limited	Australia	Step down subsidiary



Limited review report on Unaudited Quarterly Consolidated Financial Results and Consolidated year-to-date results of AIA Engineering Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of 1 subsidiary included in the Statement, whose interim financial results reflect total assets of INR 4,488.49 lakhs as at 30 September 2020 and total revenues of INR 3,034.68 lakhs and INR 5,408.99 lakhs, total net loss after tax of INR 246.11 lakhs and INR 332.76 lakhs and total comprehensive loss of INR 242.63 lakhs and INR 332.76 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020 respectively, and cash outflows (net) of INR 10.73 lakhs for the period from 1 April 2020 to 30 September 2020 as considered in the Statement. This interim financial results have been reviewed by other auditor whose report has been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

7. The Statement includes the interim financial information of 1 wholly owned subsidiary and 5 step down subsidiaries which have not been reviewed, whose interim financial information reflects total assets of INR 23,155.71 lakhs as at 30 September 2020 and total revenues of INR 8,926.86 lakhs and INR 12,768.60 lakhs, total net profit after tax of INR 222.86 lakhs and INR 327.82 lakhs and total comprehensive income of INR 222.58 lakhs and INR 432.40 lakhs for the quarter ended 30 September 2020 and for the period ended 1 April 2020 to 30 September 2020 respectively, as considered in the Statement based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022



Rupen Shah
Partner

Place: Ahmedabad
Date: 2 November 2020

Membership No. 116240
ICAI UDIN: 20116240AAAADD6934