



AIA Engineering Limited

May 25, 2021

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 : Outcome of Board Meeting and submission of Audited Financial Results for the Quarter/Year ended March 31, 2021 as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors at their Meeting held today, approved the Audited Financial Results for the quarter/year ended on March 31, 2021, which was commenced at 11.30 A.M. and concluded at 3.15 P.M.

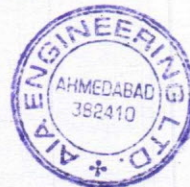
Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the followings:

(i) Statement showing Audited Financial Results (Standalone and Consolidated) for the quarter/year ended March 31, 2021.

(ii) Auditors' Report on the Audited Financial Results.

Pursuant to second proviso of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that Auditors' Reports issued B S R & Co. LLP, Chartered Accountants (FRN 101248W/W-100022), Statutory Auditors of the Company in respect of the Audited Financial Results (Standalone and Consolidated) of the Company for the year ended 31st March, 2021 are unmodified.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would also like to intimate that the following business items/matters have been transacted / approved today in the Board Meeting:



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: +91-79-66047848

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

1. The Board has recommended a Dividend of ₹ 9.00/- per Equity Shares of ₹ 2/- each (i.e. 450% Dividend). The above dividend, if declared by the Members of the Company at the ensuing Annual General Meeting will be credited/paid within 30 days from the date of the Annual General Meeting.

2. Re-appointment of Managing Director:

The Board of Directors recommended to the Shareholders the re-appointment of Mr. Bhadresh K. Shah (DIN: 00058177) as a Managing Director of the Company for a period of five (5) years effective from 1st October, 2021.

The information required pursuant to Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as below:

Sr. No.	Particulars	Information
1	Name of Director	Mr. Bhadresh Kantilal Shah
2	Age	69 Years
3	Reason for change	There is no change in Director but Re-appointment for further period of five years as a Managing Director of the Company.
4	Date of appointment & Term of appointment	The re-appointment for a period of five (5) years w.e.f. 1 st October, 2021 subject to approval of members by way of special resolution in ensuing Annual General Meeting.
5	Brief Profile (in case of appointment)	He is B.Tech (Metallurgy) from IIT Kanpur having a vast experience of more than 50 years in Manufacturing and design of various kinds of value-added, impact, abrasion and corrosion resistant high chrome castings. He emphasis on manufacturing process improvements, new product development, quality and adhering to international manufacturing standards which ensured that Company's product are recognised domestically as well as internationally.
6	Disclosure of relationships between directors	He is the father of Mrs. Khushali S. Solanki and Mrs. Bhumika S. Shodhan, Directors of the Company.
7	Information as required pursuant to BSE Circular with ref. no. LIST/COMP/14/2018-19 and the National Stock Exchange of India Limited with ref. no. NSE/CML/2018/24 dated 20 th June, 2018.	Further, the Board of Directors and its Nomination and Remuneration Committee while considering re-appointment of Mr. Bhadresh K. Shah as a Managing Director also verified that he is not debarred from holding the office of Managing Director by virtue of any SEBI order or any other such authority.

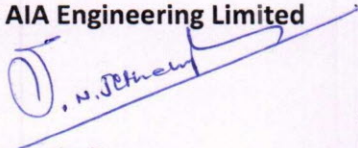


Further, we shall inform you in due course the date on which the Company will hold Annual General Meeting for the year ended March 31, 2021.

Please take the same on your record.

Thanking you,

Yours faithfully,
For AIA Engineering Limited

A handwritten signature in blue ink, appearing to read 'S. N. Jetheliya', written over a horizontal line.

S. N. Jetheliya
Company Secretary
Encl.: As above



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

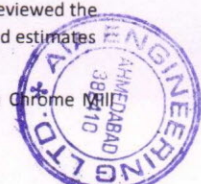
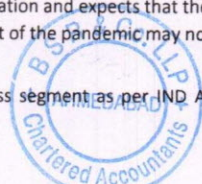
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from sale of products	63,645.09	64,375.27	68,351.59	241,031.67	249,101.22
	Other operating revenue	984.87	1,149.05	2,840.81	6,267.71	9,661.22
	a) Total revenue from operations	64,629.96	65,524.32	71,192.40	247,299.38	258,762.44
	b) Other income	2,445.51	3,947.06	30,036.24	14,480.71	48,548.45
	Total income (a+b)	67,075.47	69,471.38	101,228.64	261,780.09	307,310.89
2	Expenses					
	a) Cost of materials consumed	29,015.28	30,245.01	28,915.59	108,078.03	107,695.71
	b) Purchase of stock-in-trade	581.59	917.26	1,375.70	3,307.97	10,203.44
	c) Changes in inventories of finished goods and work-in-progress	3,133.77	(1,939.09)	4,189.37	(1,243.11)	4,455.26
	d) Employee benefits expense	2,403.44	2,475.11	2,602.21	9,805.91	9,953.04
	e) Finance costs	62.16	92.19	127.95	398.52	519.89
	f) Depreciation and amortisation expense	2,146.82	2,237.09	2,625.78	9,097.06	9,551.24
	g) Other expenses	17,545.72	18,731.41	18,207.64	67,534.42	69,191.28
	Total expenses (a+b+c+d+e+f+g)	54,888.78	52,758.98	58,044.24	196,978.80	211,569.86
3	Profit before tax (1-2)	12,186.69	16,712.40	43,184.40	64,801.29	95,741.03
4	Tax expense					
	(i) Current tax	3,156.42	4,302.84	4,204.20	18,628.27	14,250.45
	(ii) Deferred tax	(91.66)	(94.58)	(2.40)	(2,317.16)	(1,762.39)
	Total tax expense (i+ii)	3,064.76	4,208.26	4,201.80	16,311.11	12,488.06
5	Profit for the period (3-4)	9,121.93	12,504.14	38,982.60	48,490.18	83,252.97
6	Other comprehensive income / (loss):					
	(i) Items that will not be reclassified to statement of profit and loss	135.42	22.14	18.24	201.84	(287.76)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(34.08)	(5.58)	-	(50.80)	-
	(iii) Items that will be reclassified to statement of profit and loss	286.12	206.33	474.14	(566.88)	647.65
	(iv) Income tax relating to items that will be reclassified to statement of profit and loss	(72.01)	(51.93)	(151.03)	142.67	(97.28)
7	Total other comprehensive income / (loss) (net of tax)	315.45	170.96	341.35	(273.17)	262.61
8	Total comprehensive income for the period (5+7)	9,437.38	12,675.10	39,323.95	48,217.01	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
10	Other equity				407,555.76	359,338.75
11	Earnings per equity share (EPS) in ₹ (not annualised)					
	Basic	9.67	13.26	41.33	51.41	88.27
	Diluted	9.67	13.26	41.33	51.41	88.27

Notes :

- (i) The above audited standalone financial results for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on 25 May 2021. The statutory auditors have expressed an unmodified opinion.
- (ii) The audited standalone financial results are prepared in accordance with the Indian Accounting Standards 34 "Interim Financial Reporting" 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) Board of Directors recommends Dividend of ₹ 9/- (450%) per Equity Share of ₹ 2/- each amounting to ₹ 8,488.83 lakhs for the year 2020-21.
- (iv) 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 year ended 31 March 2020.
- (v) The Canada Border Service Agency (CBSA) had initiated investigations with respect to alleged dumping and subsidizing of certain grinding media from India based on complaint filed by Magotteaux Limitee, located in Magog Quebec. CBSA is carrying out its review of submissions made by the company and the final determination on the matter is expected by July 2021. The applicable rules and regulations enable CBSA to levy an interim duty while the matter continues to be under investigation. Accordingly, CBSA has imposed interim duty of 32.2% duty on certain grades of grinding media exported from India into Canada with effect from 1 May 2021. This duty will be applicable till the final determination is done which as explained above is expected to be concluded by July 2021.
- (vi) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- (vii) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these standalone financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.
- (viii) The Company has only one reportable primary business segment as per IND AS 108 - "Operating Segments", i.e., Manufacturing of High Chrome Mill Internals.



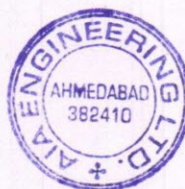
- (ix) Figures of the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year. Also the figures up to the end of third quarter had only been reviewed and not subject to audit.
- (x) Refer Annexure-I for standalone statement of assets and liabilities.
- (xi) Refer Annexure-II for standalone statement of cash flows.
- (xii) Figures for the previous period have been regrouped, reclassified and restated wherever necessary to make them comparable with the current period's figures.

During the quarter December 2020 the management had reclassified certain items of 'stores, spares and consumables' as 'raw materials'. Accordingly, the following amounts from the comparative periods have been regrouped/reclassified to make them comparable with current period's figures.

	Quarter ended			Year ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Audited	Unaudited	Audited	Audited	Audited
Increase in raw material consumption / cost of material consumed	1,279.88	1,319.63	852.08	4,756.60	4,753.16
Decrease in stores, spares and consumable consumption / other expenses	1,279.88	1,319.63	852.08	4,756.60	4,753.16

	Year ended	
	31-Mar-2021	31-Mar-2020
Increase in raw material inventories	1,817.62	2,505.19
Decrease in stores, spares and consumable inventories	1,817.62	2,505.19

Place: Ahmedabad
Date: 25 May 2021



By Order of Board of Directors
For AIA Engineering Limited

(Bhadresh K. Shah)
Managing Director
DIN:00058177

AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

Annexure - I : Audited Standalone Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
ASSETS		
(I) Non-current assets		
(a) Property, plant and equipment	74,501.25	81,521.75
(b) Right of use asset	3,589.76	4,171.45
(c) Capital work-in-progress	16,094.87	3,234.93
(d) Goodwill	460.69	460.69
(e) Other intangible assets	299.66	344.75
(f) Financial assets		
(i) Investments	27,213.99	1,578.62
(ii) Trade receivables	250.30	264.77
(iii) Loans	577.00	584.36
(iv) Other financial assets	50.00	-
(g) Other tax assets (net)	2,560.46	2,416.53
(h) Other non-current assets	2,571.31	5,125.41
Total non-current assets	128,169.29	99,703.26
(II) Current assets		
(a) Inventories	41,949.88	43,504.09
(b) Financial assets		
(i) Investments	52,026.08	141,763.55
(ii) Trade receivables (net)	106,694.70	96,831.22
(iii) Cash and cash equivalents	21,708.67	3,881.10
(iv) Bank balances other than (iii) above	93,080.85	578.63
(v) Loans	151.89	233.03
(vi) Derivatives	313.18	-
(vii) Other financial assets	4,348.94	3,861.47
(c) Other current assets	4,890.07	9,081.90
Total current assets	325,164.26	299,734.99
Total assets	453,333.55	399,438.25
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,886.41	1,886.41
(b) Other equity	407,555.76	359,338.75
Equity attributable to owners of the Company	409,442.17	361,225.16
LIABILITIES		
(I) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	575.02	1,044.54
(b) Provisions	769.51	725.13
(c) Deferred tax liabilities (net)	5,748.77	7,769.04
Total non-current liabilities	7,093.30	9,538.71
(II) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,100.00	9,294.66
(ii) Lease liabilities	257.78	363.87
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	3,600.54	1,354.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,094.73	10,163.08
(iv) Derivatives	-	873.88
(v) Other financial liabilities	2,188.25	3,829.31
(b) Other current liabilities	1,250.13	1,771.40
(c) Provisions	196.85	645.40
(d) Current tax liabilities (net)	109.80	378.16
Total current liabilities	36,798.08	28,674.38
Total equity and liabilities	453,333.55	399,438.25

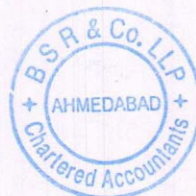


Annexure - II : Audited Standalone Statement of Cash Flows

	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
(₹ in lakhs)		
A. Cash flow from operating activities:		
Profit before tax	64,801.29	95,741.03
Add / (less): adjustments		
Interest income	(4,777.15)	(1,588.24)
Dividend income	-	(33,974.07)
Profit on sale of current investments	(3,677.24)	(3,216.11)
Fair valuation of current investments	(1,228.20)	(3,831.49)
Unrealised loss / (gain) on foreign exchange fluctuation (net)	1,048.93	(1,577.22)
Loss on sale / disposal of Property, plant and equipment and right of use assets (net)	216.37	(6.87)
Sundry balances (written back) / written off (net)	12.71	(117.56)
Bad debts	-	11.06
Depreciation and amortisation	9,097.06	9,551.24
Finance costs	398.52	519.89
Provision for product warranties	170.52	108.67
Provision for doubtful receivables	3.26	127.09
	66,066.07	61,747.42
Changes in working capital:		
(Increase) / Decrease in trade receivable	(12,948.98)	(2,205.43)
(Increase) / Decrease in loans	88.50	(43.43)
(Increase) / Decrease in other non-current assets	-	882.82
(Increase) / Decrease in inventories	1,554.21	2,267.44
Decrease in other financial assets	507.72	2,786.02
Decrease in other current assets	4,191.83	1,604.81
Increase/ (Decrease) in provisions	(423.65)	35.13
Increase/ (Decrease) in trade payables	3,161.58	(3,523.84)
Increase in other financial liabilities	(36.38)	133.03
Increase/ (Decrease) in other current liabilities	(521.27)	7.41
Cash generated from operations	61,639.63	63,691.38
Income taxes paid (net of refunds)	(18,601.00)	(14,539.84)
Net cash generated from operating activities (A)	43,038.63	49,151.54
B. Cash flow from investing activities:		
Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(12,357.24)	(12,860.93)
Proceeds from sale of property, plant and equipment	102.01	25.44
(Purchase of) / proceeds from sale of investments (net)	70,028.63	(27,138.61)
(Investment in) / Redemption of fixed deposits with bank (net)	(92,503.46)	59.48
Interest income	2,710.87	1,679.59
Dividend income	-	33,974.07
Net cash (used in) investing activities (B)	(32,019.19)	(4,260.96)
C. Cash flow from financing activities:		
Proceeds from / (Repayment) of current borrowings (net)	9,103.42	(2,291.51)
Repayment non-current borrowings	(1,500.00)	(21.87)
Dividends paid (including taxes on dividend)	-	(39,895.03)
Finance costs paid	(294.95)	(389.89)
Repayment of lease liabilities	(500.44)	(426.05)
Net cash (used in) / generated from financing activities (C)	6,808.03	(43,024.35)
D. Net Increase in cash and cash equivalents (A+B+C)	17,827.47	1,866.23
E. Add : Cash and cash equivalents at the beginning of the year	3,881.10	2,066.48
F. Less: Foreign exchange (loss) / gain on restatement of cash and cash equivalents	0.10	(51.61)
G. Cash and cash equivalents at the end of the year (refer note 1 below)	21,708.67	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 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
(₹ in lakhs)		
Note 1:		
1 Cash and cash equivalents include:		
Balances with banks	21,701.76	3,870.44
Cash on hand	6.91	10.66
	21,708.67	3,881.10



BSR & Co. LLP

Chartered Accountants

903 Commerce House V,
Near Vodafone House,
Prahaldnagar, Corporate Road,
Ahmedabad - 380 051 - India

Telephone: +91 79 7145 0001
Fax: +91 79 7145 0050

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF AIA ENGINEERING LIMITED

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying Standalone Annual Financial Results of AIA Engineering Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Annual Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

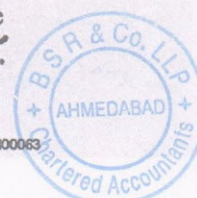
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone Annual Financial Results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These Standalone Annual Financial Results have been prepared on the basis of the Standalone Annual Financial Statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Standalone Annual Financial Results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the



Independent Auditors' Report on the audit of the Standalone Annual Financial Results of AIA Engineering Limited for the year ended 31 March 2021 (Continued)

Page 2 of 3

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results (Continued)

recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Annual Financial Results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

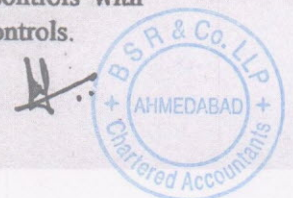
The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



Independent Auditors' Report on the audit of the Standalone Annual Financial Results of AIA Engineering Limited for the year ended 31 March 2021 (Continued)

Page 3 of 3

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Annual Financial Results, including the disclosures, and whether the Standalone Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Standalone Annual Financial Results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For BSR & Co. LLP
Chartered Accountants

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



Rupen Shah
Partner

Mumbai
25 May 2021

Membership No: 116240
ICAI UDIN: 21116240AAAABJ8034

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

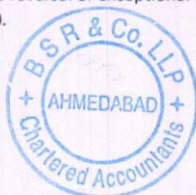
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from sale of products	85,032.05	68,714.21	82,852.61	281,877.87	288,426.53
	Other operating revenue	984.94	1,151.01	2,840.81	6,271.37	9,661.22
	a) Total revenue from operations	86,016.99	69,865.22	85,693.42	288,149.24	298,087.75
	b) Other income	2,324.28	4,942.83	2,921.42	17,219.59	14,191.00
	Total Income (a+b)	88,341.27	74,808.05	88,614.84	305,368.83	312,278.75
2	Expenses					
	a) Cost of materials consumed	30,400.89	31,290.56	30,350.89	113,505.12	116,342.93
	b) Changes in inventories of finished goods and work-in-progress	9,976.67	(7,455.20)	8,055.47	755.46	5,757.10
	c) Employee benefits expense	3,254.63	3,443.00	3,436.36	13,350.47	13,438.76
	d) Finance costs	68.61	95.16	136.37	429.31	558.75
	e) Depreciation and amortisation expense	2,203.52	2,303.63	2,685.20	9,350.09	9,787.92
	f) Other expenses	25,461.71	25,361.15	25,375.89	95,013.59	94,520.86
	Total expenses (a+b+c+d+e+f)	71,366.03	55,038.30	70,040.18	232,404.04	240,406.32
3	Profit before tax and Exceptional Items (1-2)	16,975.24	19,769.75	18,574.66	72,964.79	71,872.43
4	Less: Exceptional Items [Refer Note (v)]	-	(369.10)	-	-	-
5	Profit before tax (3-4)	16,975.24	20,138.85	18,574.66	72,964.79	71,872.43
6	Tax expense					
	(i) Current tax	3,164.27	4,318.69	4,155.53	18,683.22	14,300.02
	(ii) Excess provision for tax of earlier periods written back	-	-	-	-	(5.27)
	(iii) Deferred tax	497.69	(159.39)	176.91	(2,289.07)	(1,454.33)
	Total tax expense (i+ii+iii)	3,661.96	4,159.30	4,332.44	16,394.15	12,840.42
7	Profit for the period (5-6)	13,313.28	15,979.55	14,242.22	56,570.64	59,032.01
8	Other comprehensive income / (loss):					
	(i) Items that will not be reclassified to statement of profit and loss	158.57	20.53	(4.31)	223.38	(306.37)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(39.92)	(5.16)	5.67	(56.22)	4.68
	(iii) Items that will be reclassified to statement of profit and loss	262.57	(923.77)	2,232.71	(2,607.95)	5.27
	(iv) Income tax relating to items that will be reclassified to statement of profit and loss	(72.01)	(51.93)	(151.03)	142.67	(97.28)
9	Total other comprehensive income / (loss) (net of tax)	309.21	(960.33)	2,083.04	(2,298.12)	(393.70)
10	Total comprehensive income for the period (7+9)	13,622.49	15,019.22	16,325.26	54,272.52	58,638.31
11	Net profit / (loss) attributable to:					
	a) Owners of the Holding Company	13,376.41	15,912.41	14,162.55	56,612.19	59,035.80
	b) Non-Controlling Interest	(63.13)	67.14	79.67	(41.55)	(3.79)
12	Other comprehensive income / (loss) attributable to:					
	a) Owners of the Holding Company	304.86	(960.03)	2,087.28	(2,302.17)	(390.20)
	b) Non-Controlling Interest	4.35	(0.30)	(4.24)	4.05	(3.50)
13	Total comprehensive income / (loss) attributable to:					
	a) Owners of the Holding Company	13,681.27	14,952.38	16,249.83	54,310.02	58,645.60
	b) Non-Controlling Interest	(58.78)	66.84	75.43	(37.50)	(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
15	Other equity				422,545.04	368,242.23
16	Earning per equity share (EPS) in ₹ (not annualised)					
	Basic	14.18	16.87	15.02	60.02	62.59
	Diluted	14.18	16.87	15.02	60.02	62.59

Notes:

- (i) The above audited consolidated financial results for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on 25 May 2021. The statutory auditors have expressed an unmodified opinion.
- (ii) The audited consolidated financial results are prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' 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) Board of Directors recommends Dividend of ₹ 9/- (450%) per Equity Share of ₹ 2/- each amounting to ₹ 8,488.83 lakhs for the year 2020-21.
- (iv) The audited 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.
- (v) During the quarter ended 30 September 2020, Welcast Steels Limited ('WSL'), a subsidiary company, had decided to permanently close its only factory. However, during the quarter ended 31 December 2020, the Board of Directors of WSL has decided to continue the manufacturing operations in the hope of revival of the economy and withdrew its closure notice filed with the concerned authorities. Accordingly, WSL has prepared its financial results on a going concern basis. This has resulted in a reversal of exceptional charge aggregating to ₹ 369.10 lakhs in consolidated statement of profit and loss during the quarter ended 31 December 2020.



NOTES TO AUDITED CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

(vi) 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 the 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 in the previous year's financial statements. Pursuant to the selection of this option, the Holding Company had reversed deferred tax liabilities amounting to ₹ 2,066.17 lakhs due to reduction in corporate tax rate during the year ended 31 March 2020.

Welcast Steels Limited, a subsidiary of 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 had been recorded / remeasured using the new tax rate and the resultant impact was recognised during the previous financial year which was not material to the consolidated financial results of the Group.

(vii) The Canada Border Service Agency (CBSA) had initiated investigations with respect to alleged dumping and subsidizing of certain grinding media from India based on complaint filed by Magotteaux Limitee, located in Magog Quebec. CBSA is carrying out its review of submissions made by the Holding Company and the final determination on the matter is expected by July 2021. The applicable rules and regulations enable CBSA to levy an interim duty while the matter continues to be under investigation. Accordingly, CBSA has imposed interim duty of 32.2% duty on certain grades of grinding media exported from India into Canada with effect from 1 May 2021. This duty will be applicable till the final determination is done which as explained above is expected to be concluded by July 2021.

(viii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(ix) The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these consolidated financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. Having reviewed the underlying information, management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

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

(xi) Figures of the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and year to date figures up to the third quarter of the relevant financial year. Also the figures up to the end of third quarter had only been reviewed and not subject to audit.

(xii) Refer Annexure-I for consolidated statement of assets and liabilities.

(xiii) Refer Annexure-II for consolidated statement of cash flows.

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

During the quarter 31 December 2020, the management had reclassified certain items of 'stores, spares and consumables as 'raw materials'. Accordingly, the following amounts from the comparative periods have been regrouped/reclassified to make them comparable with current period's figures.

	Quarter ended			Year ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Audited	Unaudited	Audited	Audited	Audited
Increase in raw material consumption / cost of material consumed	1,279.88	1,319.63	852.08	4,756.60	4,753.16
Decrease in stores, spares and consumable consumption / other expenses	1,279.88	1,319.63	852.08	4,756.60	4,753.16

	Year ended	Year ended
	31-Mar-2021	31-Mar-2020
Increase in raw material inventories	1,817.62	2,505.19
Decrease in stores, spares and consumable inventories	1,817.62	2,505.19



Place: Ahmedabad
Date: 25 May 2021



By Order of Board of Directors
For AIA Engineering Limited

(Bhadresh K. Shah)
Managing Director
DIN:00058177

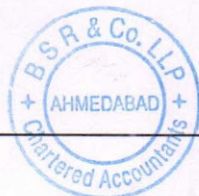
AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

Annexure - I : Audited Consolidated Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
ASSETS		
(I) Non-current assets		
(a) Property, plant and equipment	75,249.24	82,383.85
(b) Right of use assets	3,602.90	4,236.89
(c) Capital work-in-progress	16,094.87	3,234.93
(d) Goodwill	460.69	460.69
(e) Goodwill on consolidation	1,528.79	1,535.88
(f) Other intangible assets	301.39	348.34
(g) Financial assets		
(i) Investments	25,721.25	85.88
(ii) Trade receivables	250.30	264.77
(iii) Loans	1,010.77	1,018.52
(iv) Other financial assets	79.26	-
(h) Deferred tax assets	21.36	68.61
(i) Other tax assets (net)	2,821.28	2,849.33
(j) Other non-current assets	2,759.71	5,313.81
Total non-current assets	129,901.81	101,801.50
(II) Current assets		
(a) Inventories	75,477.62	77,812.22
(b) Financial assets		
(i) Investments	55,136.36	141,763.55
(ii) Trade receivables (net)	63,847.10	64,818.58
(iii) Cash and cash equivalents	46,217.43	14,849.19
(iv) Bank balances other than (iii) above	93,327.43	632.98
(v) Loans	315.91	433.43
(vi) Derivatives	313.18	-
(vii) Other financial assets	4,420.13	3,889.41
(c) Other current assets	6,863.98	10,217.92
Total current assets	345,919.14	314,417.28
Total assets	475,820.95	416,218.78
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	1,886.41	1,886.41
(b) Other equity	422,545.04	368,242.23
Equity attributable to owners of the Company	424,431.45	370,128.64
(c) Non-controlling interest	881.77	925.23
Total equity	425,313.22	371,053.87
LIABILITIES		
(I) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	577.17	1,057.25
(b) Provisions	769.51	1,104.12
(c) Deferred tax liabilities (net)	4,701.62	6,738.80
Total non-current liabilities	6,048.30	8,900.17
(II) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,447.30	9,694.66
(ii) Lease liabilities	269.40	419.23
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	3,601.33	1,360.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,979.51	12,281.42
(iv) Derivatives	-	873.88
(v) Other financial liabilities	2,273.05	3,939.89
(b) Other current liabilities	5,193.67	4,863.86
(c) Provisions	1,517.08	2,424.68
(d) Current tax liabilities (net)	178.09	406.40
Total current liabilities	44,459.43	36,264.74
Total equity and liabilities	475,820.95	416,218.78



AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

Annexure - II : Audited Consolidated Statement of Cash Flows

(₹ in lakhs)

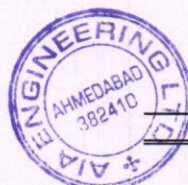
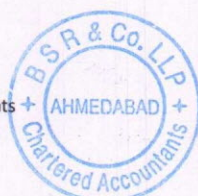
	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
A. Cash flow from operating activities:		
Profit before tax	72,964.79	71,872.43
Add / (less): Adjustments		
Interest income	(5,004.28)	(2,132.32)
Profit on sale of current investments	(3,677.24)	(3,388.23)
Fair value of current investments	(1,291.19)	(3,823.28)
Unrealised loss / (gain) on foreign exchange fluctuation (net)	1,184.23	(1,740.44)
Loss / (gain) on sale / disposal of Property, plant and equipment and right of use assets (i)	216.37	(57.25)
Sundry balances written back (net)	(32.06)	(268.13)
Bad debts	-	11.06
Depreciation and amortisation	9,350.09	9,787.92
Finance costs	429.31	558.75
Provision for product warranties	234.82	242.06
Provision for doubtful trade receivables	3.26	127.09
Foreign currency fluctuation on translation of foreign operations	(2,043.09)	(633.34)
	<u>72,335.01</u>	<u>70,556.32</u>
Changes in working capital:		
(Increase) / Decrease in trade receivables	(2,225.60)	10,451.19
Decrease / (Increase) in loans	125.27	(62.60)
Decrease in other non-current assets	-	883.12
Decrease in inventories	2,334.60	779.72
Decrease in other financial assets	478.46	2,786.02
Decrease in other current assets	3,353.94	2,286.40
(Decrease) / Increase in provisions	(1,313.92)	194.30
Increase / (Decrease) in trade payables	2,953.15	(3,893.09)
Increase in other financial liabilities	(82.87)	126.21
Increase / (Decrease) in other current liabilities	329.81	(1,265.50)
Cash generated from operations	78,287.86	82,842.09
Income taxes paid (net of refunds)	(18,441.67)	(14,929.03)
Net cash generated from operating activities (A)	59,846.19	67,913.06
B. Cash flow from investing activities:		
Acquisition of property, plant and equipment, capital work-in-progress and other intangibles	(12,417.20)	(13,180.77)
Proceeds from sale of property, plant and equipment	110.15	98.87
(Purchase of) / proceeds from sale of investments	66,981.34	(20,448.91)
Interest income	2,894.75	2,304.05
(Investment in) / Redemption of fixed deposits with bank (net)	(92,696.76)	171.53
Net cash used in investing activities (B)	(35,127.72)	(31,055.23)
C. Cash flow from financing activities:		
Proceeds from / (Repayment) of current borrowings (net)	9,050.72	(2,011.51)
Repayment non-current borrowings	(1,500.00)	(21.87)
Dividends paid (including taxes on dividend)	-	(39,909.42)
Finance costs paid	(306.75)	(424.33)
Repayment of lease liabilities	(590.15)	(512.28)
Net cash generated from / (used in) financing activities (C)	6,653.82	(42,879.41)
D. Net (decrease) / increase in cash and cash equivalents (A+B+C)	31,372.29	(6,021.58)
E. Add : Cash and cash equivalents at the beginning of the period / year	14,849.19	20,830.85
F. Less: Foreign exchange (loss) / gain on restatement of cash and cash equivalents	(4.05)	39.92
G. Cash and cash equivalents at the end of the period / year (refer note 1 below)	46,217.43	14,849.19

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:

1 Cash and cash equivalents include:

Balances with banks
Balances with bank in fixed deposit accounts
Cash on hand



	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Balances with banks	46,208.07	14,735.44
Balances with bank in fixed deposit accounts	-	100.00
Cash on hand	9.36	13.75
	<u>46,217.43</u>	<u>14,849.19</u>

B S R & Co. LLP

Chartered Accountants

903 Commerce House V,
Near Vodafone House,
Prahaldnagar, Corporate Road,
Ahmedabad - 380 051 - India

Telephone: +91 79 7145 0001
Fax: +91 79 7145 0050

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF AIA ENGINEERING LIMITED

Report on the audit of the Consolidated Annual Financial Results

Opinion

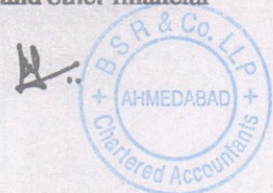
We have audited the accompanying Consolidated Annual Financial Results of AIA Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements / financial results of the subsidiaries, the aforesaid Consolidated Annual Financial Results:

- a. include the annual financial 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

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.



Independent Auditors' Report on the audit of the Consolidated Annual Financial Results of AIA Engineering Limited for the year ended 31 March 2021 (Continued)

Page 2 of 5

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Annual Financial Results.

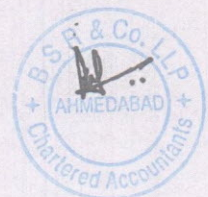
Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These Consolidated Annual Financial Results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated Annual Financial Results that give a true and fair view of the consolidated net profit / loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Annual Financial Results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.



Independent Auditors' Report on the audit of the Consolidated Annual Financial Results of AIA Engineering Limited for the year ended 31 March 2021 (Continued)

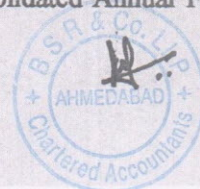
Page 3 of 5

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Annual Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group to express an opinion on the Consolidated Annual Financial



Independent Auditors' Report on the audit of the Consolidated Annual Financial Results of AIA Engineering Limited for the year ended 31 March 2021 (Continued)

Page 4 of 5

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)

Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the Consolidated Annual Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Annual Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The Consolidated Annual Financial Results include the audited financial results of 10 subsidiaries, whose financial statements / financial results reflect total assets (before consolidation adjustments) of INR 187,557.70 lakhs as at 31 March 2021, total revenue (before consolidation adjustments) of INR 336,316.23 lakhs, total net profit after tax (before consolidation adjustments) of INR 6,535.02 lakhs and net cash inflows of INR 13,113.85 lakhs for the year ended on that date, as considered in the Consolidated Annual Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements / financial results of these entities have been furnished to us by the management and our opinion on the Consolidated Annual Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally



Independent Auditors' Report on the audit of the Consolidated Annual Financial Results of AIA Engineering Limited for the year ended 31 March 2021 (Continued)

Page 5 of 5

Other Matters (Continued)

accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Holding Company's Management and audited by us.


- (b) The Consolidated Annual Financial Results include the unaudited financial information of 1 subsidiary, which reflects total assets (before consolidation adjustments) of INR 3,397.84 lakhs as at 31 March 2021, total revenue (before consolidation adjustments) of INR 2,113.91 lakhs and total net profit after tax (before consolidation adjustments) of INR 100.84 lakhs, and net cash inflows of INR 68.19 lakhs for the year ended on that date, as considered in the Consolidated Annual Financial Results. This unaudited financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Annual Financial Results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such annual financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.

Our opinion on the Consolidated Annual Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.

- (c) The Consolidated Annual Financial Results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For BSR & Co. LLP
Chartered Accountants

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



Rupen Shah
Partner

Mumbai
25 May 2021

Membership No: 116240
ICAI UDIN: 21116240AAAABL1476