

AIA ENGINEERING LIMITED

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

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from sale of products	64,375.27	65,818.93	62,623.45	177,386.58	181,275.62	249,806.44
	Other operating revenue	1,149.05	2,241.59	2,317.80	5,282.84	6,294.42	8,956.00
	a) Total revenue from operations	65,524.32	68,060.52	64,941.25	182,669.42	187,570.04	258,762.44
	b) Other income	3,947.06	2,098.56	3,913.53	12,035.20	18,512.21	48,548.45
	Total income (a+b)	69,471.38	70,159.08	68,854.78	194,704.62	206,082.25	307,310.89
2	Expenses						
	a) Cost of materials consumed	30,245.01	29,288.72	26,202.96	79,062.75	78,780.12	107,695.71
	b) Purchase of stock-in-trade	917.26	614.49	2,765.15	2,726.38	8,827.74	10,203.44
	c) Changes in inventories of finished goods and work-in-progress	(1,939.09)	(2,420.98)	(210.27)	(4,376.88)	265.89	4,455.26
	d) Employee benefits expense	2,475.11	2,449.91	2,475.26	7,402.47	7,350.83	9,953.04
	e) Finance costs	92.19	117.32	118.73	336.36	391.94	519.89
	f) Depreciation, amortisation and impairment expense	2,237.09	2,266.94	2,458.82	6,950.24	6,925.46	9,551.24
	g) Other expenses	18,731.41	18,803.09	17,991.01	49,988.70	50,983.64	69,191.28
	Total expenses (a+b+c+d+e+f+g)	52,758.98	51,119.49	51,801.66	142,090.02	153,525.62	211,569.86
3	Profit before tax (1-2)	16,712.40	19,039.59	17,053.12	52,614.60	52,556.63	95,741.03
4	Tax expense						
	(i) Current tax	4,302.84	4,992.10	3,891.25	15,471.85	10,046.25	14,250.45
	(ii) Deferred tax	(94.58)	(264.79)	(165.13)	(2,225.50)	(1,759.99)	(1,762.39)
	Total tax expense (i+ii)	4,208.26	4,727.31	3,726.12	13,246.35	8,286.26	12,488.06
5	Profit for the period (3-4)	12,504.14	14,312.28	13,327.00	39,368.25	44,270.37	83,252.97
6	Other comprehensive income / (loss):						
	(i) Items that will not be reclassified to statement of profit and loss	22.14	116.28	(101.91)	66.42	(306.00)	(287.76)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(5.58)	(29.26)	-	(16.72)	-	-
	(iii) Items that will be reclassified to statement of profit and loss	206.33	(450.43)	370.12	(853.00)	173.51	647.65
	(iv) Income tax relating to items that will be reclassified to statement of profit and loss	(51.93)	113.36	(93.15)	214.68	53.75	(97.28)
7	Total other comprehensive income / (loss) (net of tax)	170.96	(250.05)	175.06	(588.62)	(78.74)	262.61
8	Total comprehensive income for the period (5+7)	12,675.10	14,062.23	13,502.06	38,779.63	44,191.63	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	13.26	15.17	14.13	41.74	46.94	88.27
	Diluted	13.26	15.17	14.13	41.74	46.94	88.27

Notes :

- The above unaudited standalone financial results for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on 9 February 2021. 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 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.
- 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.
- 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 Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial results in the period in which the Code becomes effective and the related rules are notified.
- 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 Company continues to monitor the impact of COVID-19 on its business, 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 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.
- On December 17, 2020, the Canada Border Service Agency (CBSA) has initiated investigations with respect to the alleged dumping and subsidizing of certain grinding media from India. The Company is reviewing the matter and will be taking appropriate steps for defending its position.
- During the current quarter, the management has 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		Nine months ended	Year ended
	30-Sep-2020	31-Dec-2019	31-Dec-2019	31-Mar-2020
Increase in raw material consumption / cost of material consumed	1,326.03	1,283.76	3,901.08	4,753.16
Decrease in stores, spares and consumable consumption / other expenses	1,326.03	1,283.76	3,901.08	4,753.16

By Order of Board of Directors
For AIA Engineering Limited

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from sale of products	68,714.21	71,988.75	67,090.99	196,845.09	206,099.91	289,131.75
	Other operating revenue	1,151.01	2,243.61	2,317.80	5,287.16	6,294.42	8,956.00
	a) Total revenue from operations	69,865.22	74,232.36	69,408.79	202,132.25	212,394.33	298,087.75
	b) Other income	4,942.83	2,476.89	4,597.99	14,895.31	11,269.58	14,191.00
	Total Income (a+b)	74,808.05	76,709.25	74,006.78	217,027.56	223,663.91	312,278.75
2	Expenses						
	a) Cost of materials consumed	31,290.56	30,965.44	28,187.23	83,104.23	85,992.04	116,342.93
	b) Changes in inventories of finished goods and work-in-progress	(7,455.20)	(4,533.83)	(3,585.34)	(9,221.21)	(2,298.37)	5,757.10
	c) Employee benefits expense	3,443.00	3,337.19	3,367.22	10,095.84	10,002.40	13,438.76
	d) Finance costs	95.16	124.76	126.95	360.70	422.38	558.75
	e) Depreciation and amortisation expense	2,303.63	2,331.71	2,519.15	7,146.57	7,102.72	9,787.92
	f) Other expenses	25,361.15	25,436.16	24,153.91	69,551.88	69,144.97	94,520.86
	Total expenses (a+b+c+d+e+f)	55,038.30	57,661.43	54,769.12	161,038.01	170,366.14	240,406.32
3	Profit before tax and Exceptional Items (1-2)	19,769.75	19,047.82	19,237.66	55,989.55	53,297.77	71,872.43
4	Less: Exceptional Items [Refer Note (iv)]	(369.10)	369.10	-	-	-	-
5	Profit before tax (3-4)	20,138.85	18,678.72	19,237.66	55,989.55	53,297.77	71,872.43
6	Tax expense						
	(i) Current tax	4,318.69	5,003.08	3,923.06	15,518.95	10,144.49	14,300.02
	(ii) Excess provision for tax of earlier periods written back	-	-	(5.27)	-	(5.27)	(5.27)
	(iii) Deferred tax	(159.39)	(668.93)	(316.09)	(2,786.76)	(1,631.24)	(1,454.33)
	Total tax expense (i+ii+iii)	4,159.30	4,334.15	3,601.70	12,732.19	8,507.98	12,840.42
7	Profit for the period (5-6)	15,979.55	14,344.57	15,635.96	43,257.36	44,789.79	59,032.01
8	Other comprehensive income / (loss):						
	(i) Items that will not be reclassified to statement of profit and loss	20.53	120.93	(100.60)	64.81	(302.06)	(306.37)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(5.16)	(30.43)	(0.12)	(16.30)	(0.99)	4.68
	(iii) Items that will be reclassified to statement of profit and loss	(923.77)	(1,108.99)	(850.29)	(2,870.52)	(2,227.44)	5.27
	(iv) Income tax relating to items that will be reclassified to statement of profit and loss	(51.93)	113.36	(93.15)	214.68	53.75	(97.28)
9	Total other comprehensive income / (loss) (net of tax)	(960.33)	(905.13)	(1,044.16)	(2,607.33)	(2,476.74)	(393.70)
10	Total comprehensive income for the period (7+9)	15,019.22	13,439.44	14,591.80	40,650.03	42,313.05	58,638.31
11	Net profit / (loss) attributable to:						
	a) Owners of the Group	15,912.41	14,396.63	15,609.04	43,235.78	44,873.25	59,035.80
	b) Non-Controlling Interest	67.14	(52.06)	26.92	21.58	(83.46)	(3.79)
12	Other comprehensive income / (loss) attributable to:						
	a) Owners of the Group	(960.03)	(906.01)	(1,044.46)	(2,607.03)	(2,477.48)	(390.20)
	b) Non-Controlling Interest	(0.30)	0.88	0.30	(0.30)	0.74	(3.50)
13	Total comprehensive income / (loss) attributable to:						
	a) Owners of the Group	14,952.38	13,490.62	14,564.58	40,628.75	42,395.77	58,645.60
	b) Non-Controlling Interest	66.84	(51.18)	27.22	21.28	(82.72)	(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	16.87	15.26	16.55	45.84	47.58	62.59
	Diluted	16.87	15.26	16.55	45.84	47.58	62.59

Notes:

- (i) The above unaudited consolidated financial results for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on 9 February 2021. 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 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) The 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.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

(iv) During the quarter ended 30 September 2020, Welcast Steels Limited ('WSL'), a subsidiary company, had 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 unaudited consolidated financial results of the Holding Company for the quarter and half year ended 30 September 2020, were not prepared on a going concern basis. All the non-financial assets and liabilities of WSL were recognised at lower of cost or realisable value and all financial assets and liabilities continued to be recognized at fair value or amortised cost adjusted for any loss allowances. This resulted into an exceptional charge aggregating to ₹ 369.10 lakhs in consolidated statement of profit and loss for the quarter and half year ended 30 September 2020 which comprised of closure compensation and impairment of non-current assets.

However, during the current quarter, 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 for the quarter and nine months ended 31 December 2020 on a going concern basis. This has resulted in a reversal of exceptional charge aggregating to ₹ 369.10 lakhs recognised in consolidated statement of profit and loss during the previous quarter.

(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 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.

(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 Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial results in the period in which the Code becomes effective and the related rules 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 continues to monitor the impact of COVID-19 on its business, 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 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) On December 17, 2020, the Canada Border Service Agency (CBSA) has initiated investigations with respect to the alleged dumping and subsidizing of certain grinding media from India. The Company is reviewing the matter and will be taking appropriate steps for defending its position.

(x) During the current quarter, the management has 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		Nine months ended	Year ended
	30-Sep-20	31-Dec-19	31-Dec-19	31-Mar-20
Increase in raw material consumption / cost of material consumed	1,326.03	1,283.76	3,901.09	4,753.16
Decrease in stores, spares and consumable consumption / other expenses	1,326.03	1,283.76	3,901.09	4,753.16

By Order of Board of Directors
For AIA Engineering Limited

Place: Ahmedabad
Date: 9 February 2021

(Bhadresh K. Shah)
Managing Director
DIN:00058177