



AIA Engineering Limited
32ND ANNUAL REPORT 2021-2022





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Investor Information

Market Capitalisation as at
31 March, 2022
₹ 15,351.58 Crores

CIN
L29259GJ1991PLC015182

BSE Code
532683

NSE Symbol
AIAENG

Bloomberg Code
AIAE:IN

AGM Date
12 September, 2022

AGM Mode
Video Conferencing (VC) and Other
Audio-Visual Means (OAVM)



121-273

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Please find our online version at
<http://www.aiaengineering.com/financials.php>

Disclaimer: This document contains statements about expected future events of AIA Engineering Limited ('AIA' or 'the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. The numbers presented in this report pertain to financial year 2021-22 unless specifically mentioned otherwise. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



OVER THE YEARS, OUR UNIQUE IDENTITY HAS GIVEN US A DISTINCTIVE EDGE.

OVER THE YEARS, WE HAVE MARKED A DOMINATING PRESENCE IN OUR INDUSTRY.

OVER THE YEARS, OUR STRATEGY HAS ALWAYS REMAINED CONSISTENT IN DELIVERING ENHANCED CUSTOMISED SOLUTIONS TO OUR CUSTOMERS.

OVER THE YEARS, WE HAVE REMAINED AHEAD OF THE CURVE, IN CONSISTENTLY LEVERAGING THE UNDERLYING INDUSTRIAL OPPORTUNITIES.

TODAY, OUR BUSINESS MODEL HAS EVOLVED IN CREATING ENHANCED VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS.

Our Performance in 2021-22

TOTAL REVENUE

₹ **37,228.37**
million

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

₹ **8,772.35**
million

PROFIT AFTER TAXES (PAT)

₹ **6,196.18**
million

DIVIDEND

₹ **9**
Per Share (450%)

PROMOTERS' HOLDING

58.47%

TOTAL WORKFORCE

1,287





AIA ENGINEERING AT A GLANCE

AIA Engineering, a certified ISO 9001 Company, specialises in the design, development, production, installation, and servicing of high chromium wear, corrosion, and abrasion resistant castings for the cement, mining, and thermal power generating industries.

The Company offers custom designed solutions in ideal metallurgy for the application, as well as process optimisation services based on a technical assessment of our customer's needs. As an outcome of this approach, the Company has established itself among the industry leaders in terms of quality, services and innovation, earning a strong reputation as a global solution provider.

Engineering Solutions

CEMENT

The Company's origins is in the cement production business, where it has thrived for many years. AIA has a long history of delivering worn part solutions to the cement industry. AIA has developed expertise in metallurgy, grinding application, and component design and provides parts for tube mills and vertical mills. AIA's manufacturing approach improves component working life significantly as compared to standard procedures. With the Company's consistent success in this business, it has been able to develop innovative solutions that have been proven to reduce maintenance costs and increase customer cost-effectiveness.

THERMAL

The Company assists power plants throughout the world in lowering their generating costs by designing components that minimise downtime and maintenance expenses significantly. The Company manufactures wear components for pulverisers, which are used to grind and crush coal before it is fed into boilers at thermal power plants. Vertical mills and tube mills are used to pulverise coal in these plants. The Company has improved the production and composition of grinding media as well as shell liners as compared to conventionally produced media, resulting in efficiency gains of 200% to 300%. The Company has also been witnessing an impressive reduction in wear rate for its products.

MINING

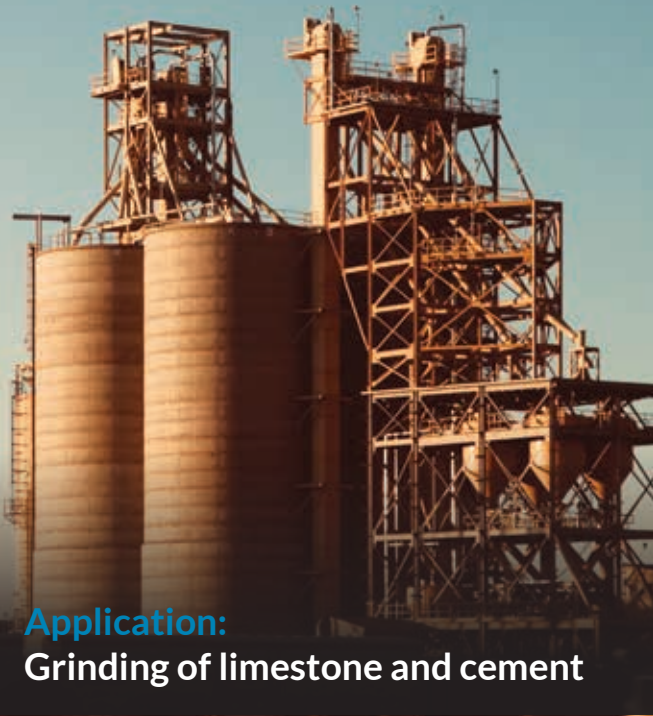
Reduced downtime is critical for successful mining operations, thus wear components that perform harder and last longer are critical. The Company has developed unique alloys and manufacturing techniques for all types of minerals, including iron, gold, lead/zinc, bauxite, copper, phosphates, and others, offering enhanced wear components. Furthermore, the Company has developed mill lining solutions that enable clients to achieve better throughputs while reducing running costs such as electricity and wear components.

QUARRY

The Company has developed new alloys and manufacturing techniques for various types of minerals, including iron, gold, lead/zinc, bauxite, copper, and phosphates, to deliver enhanced wear components. This aids in the reduction of downtime, which is crucial to the success of quarrying operations.



CEMENT



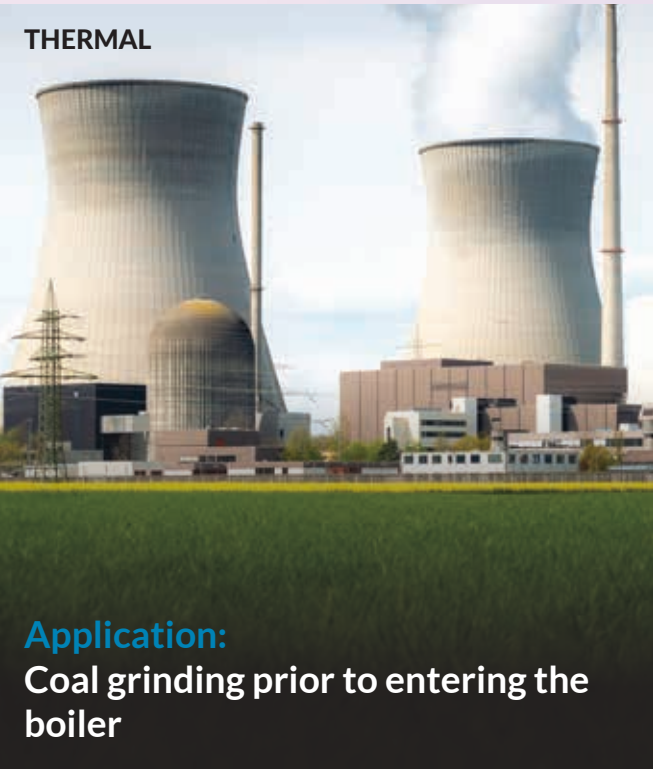
Application:
Grinding of limestone and cement

MINING



Application:
Mineral ore grinding prior to processing for separation of different materials

THERMAL



Application:
Coal grinding prior to entering the boiler

QUARRY



Application:
Crushing of aggregates





OUR JOURNEY



1978

Mr. Bhadresh K. Shah founded the Ahmedabad Induction Alloys Private Limited

1979

The Company began operations and started producing wear parts for cement and power plants

1985

Started production of high-chrome grinding media

1989

Began producing high chromium liners, level control diaphragms, and other diaphragms



1991

Ahmedabad Induction Alloys Private Limited was amalgamated with the Company, AIA

1996

Received ISO 9001 certification of Quality Management Systems

2003

AIA incorporated Vega ME as a wholly-owned subsidiary

2005

AIA got listed on Indian Stock Exchanges

2008

Moraiya, a greenfield facility with a capacity of 1,00,000 MT grinding media, was commissioned

2011

A new plant for mining liners and vertical mill parts was commissioned

2022

Installed 2 Wind Turbines of total 5.4 MW, taking total renewable energy capacity to 24.3 MW

2020

Obtained ISO 14001 certification for environmental management system and OHSAS 18001 certification for health and safety management system at our Moraiya and Kerala Plants

2019

Capacity enhancement by 50,000 MT at Kerala's GIDC plant

Installed 8 Wind Turbines of 2.1 MW each

2018

Developed mill lining solutions for mine

2017

Phase 1 of the Kerala GIDC, a greenfield facility near Ahmedabad for grinding media production, was commissioned

2014

Capacity was expanded to 2,60,000 MT at Moraiya facility



OUR GLOBAL FOOTPRINT

The Company is regarded as the International Quality Benchmark by most of its customers. It has a global footprint with its strategically located subsidiaries and representative offices. AIA is globally recognised name in the Engineering industry and enjoys long-standing partnerships with world-renowned marquee clients in the cement and mining sectors.

GLOBAL PRESENCE

120+



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

SUBSIDIARIES AND REPRESENTATIVE OFFICES

- 1 USA
- 2 Canada
- 3 UK
- 4 UAE
- 5 Australia
- 6 South Africa
- 7 China
- 8 Chile
- 9 Indonesia
- 10 Ghana

GLOBAL LOGISTICS NETWORK (WAREHOUSES)

- 1 South Africa
- 2 USA
- 3 UK
- 4 Netherlands
- 5 Australia
- 6 Ghana
- 7 Chile





MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

The year 2021-22 will be remembered as the year when the world began to slowly but steadily overcome the pandemic's challenges. Despite the pandemic, AIA Engineering's performance remained stable as the economy recovered. We were able to take advantage of our market-leading position, and it was our Company's primary emphasis area to ensure that our customers' supply of our products and services were not disrupted. We are pleased that our travel has prompted more dialogues with our clients, leading to the accomplishments we have made in a challenging year. The customer base grew, giving us the assurance that we are on the right track.

The fight against Covid-19 is far from over. As the economy settles and adjusts to the 'new normal', we expect mining and cement industries to pick up the activity and in turn drive requirements for our products. Our Company and our tenacious workforce have accepted the 'new normal' and have successfully adjusted, ensuring that AIA's operations and services are not disrupted. With widespread immunisations and stringent Covid-19 protocols in place, the world is considerably more prepared and has learned to meet all challenges head-on. The mining bid was harmed as a result of the volume reductions from Canada and South Africa. In accordance with the steep rise in commodity prices, we have experienced considerable increases in



our input costs and freight. In response to the price increase, our Company has made efforts to pass on these costs to the customers.

We are pleased to announce that the brownfield expansion for grinding media which was on hold owing to Covid-19, has been restarted. With an extra outlay of ₹ 200 Crores, we are now seeking to add 80,000 tonnes of capacity. This is within our regular capital expenditure range. This type of addition will not only expand our capacities but will also help us earn recognition globally. The mill lining facility is in the trail phase and almost ready to go into production. The current capacity of 3,90,000 MT is expected to reach 5,20,000 MT post the successful expansion of our mill lining capacity and grinding media capacity. Given the huge scope for development that lies ahead of us, we will continue to develop fresh Capex plans for capacity expansion.

Sustainability is one of our Company's non-negotiables, and we actively contribute to the Social, Economic, and Environmental Development of the community in which we operate through our sustainable measures. We ensure the community's socio-economic development through a variety of participatory and need-based initiatives, such as providing quality education,

ensuring that they are digitally literate, and providing healthcare, all of which are in the best interests of the poor and deprived sections of society, allowing them to become self-sufficient and build a better future for themselves. We also ensure the long-term viability of the environment by preserving biodiversity, protecting and regrowing endangered plant species, and lowering our carbon footprint.

In the end, I would like to thank all our stakeholders for standing by us during the unthinkable situation happening around the globe. During the year, we also focused on improving productivity and employee morale. Going ahead, we will continue to focus on developing comprehensive solution capabilities through our large and well-equipped R&D team. We promise to deliver value to all associated with us through ethical, sustainable and profitable means.

Best Wishes,

Bhadresh K. Shah

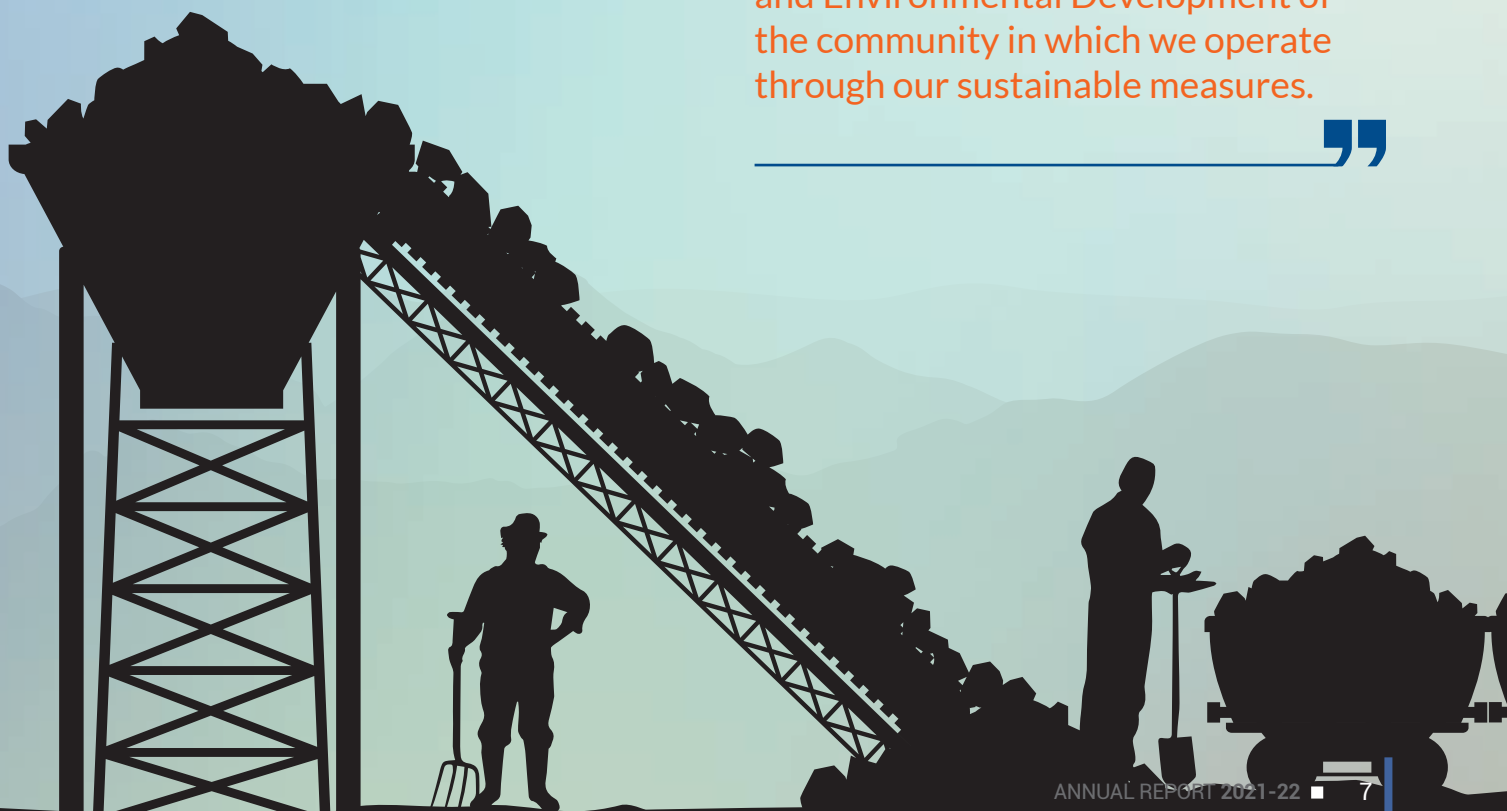
Managing Director

AIA Engineering Limited

“

Sustainability is one of our Company's non-negotiables, and we actively contribute to the Social, Economic, and Environmental Development of the community in which we operate through our sustainable measures.

”





VALUE-ACCRETIVE STRATEGIES

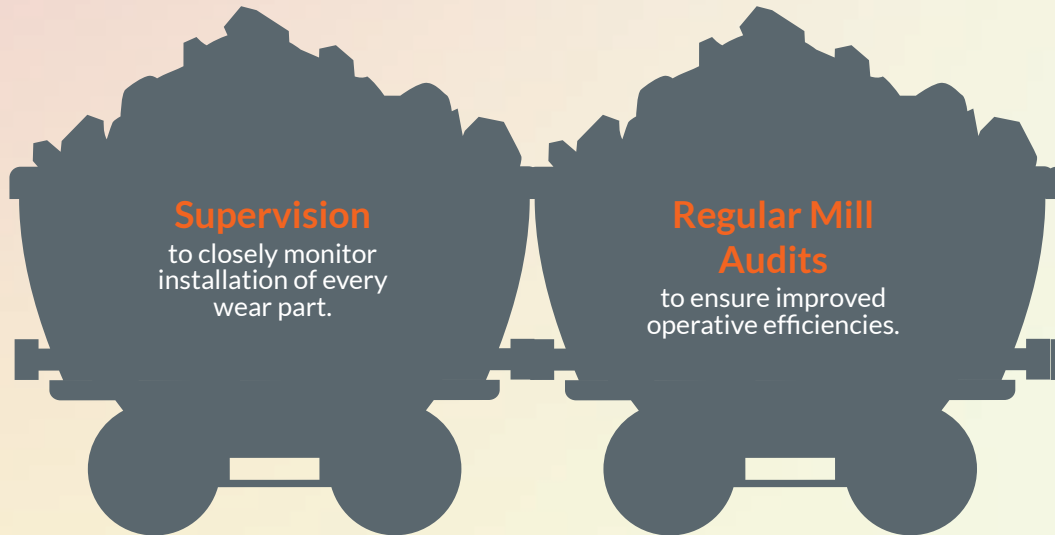
AIA has become one of the most successful companies in supplying and installing wear components because of our legacy and experience in grinding and crushing operations. The Company has created, nurtured, supported, and extended its geographical footprint internationally for over three decades with a unique value proposition, based on a growth strategy focused on a stable business model, unique approach, and capacity to supply specialty solutions.

Growth Strategies



CUSTOMER SATISFACTION

The Company's objective is to provide consumers with optimised solutions based on a technical assessment of their needs. The Company has enabled quality checks at various points to ensure increased customer satisfaction.



CONSISTENT CAPEX

The Company is focused on expanding its manufacturing facilities to meet the global demand. AIA is nearing the completion of its mill liners capacity expansion and also initiated the expansion of its grinding media capacity. These components will be included in customised solutions, allowing our customers to lower their throughput and expenses significantly. During 2021-22, the Company spent ₹ 125.47 Crores on capital expenditures. The Company's installed capacity stands at 3,90,000 MT.

MINING LINER PROJECT

The Company is nearing completion on a Mill Liners manufacturing plant with a capacity of 50,000 MT, which is slated to be operational in June 2022. The total installed capacity after this extension will be 4,40,000 TPA.

KERALA GIDC PROJECTS

The Company has opted to proceed with its brownfield grinding media capacity development. It proposes to add 80,000 MT of capacity at a cost of ₹ 200 Crores, with commissioning expected by the end of 2023-24.

The Company expect a CAPEX of ₹ 300 Crores for FY23 which includes regular CAPEX, the Mill Lining Project, Grinding Media Expansion Project and Hybrid Power Projects.



Real-Time Assessments

to ensure quality, consistency, cost-effectiveness, and timely replenishment of inventory.

Tangible Benefits

with each product aiding in the reduction of wear costs, optimisation of mill operations, reduction of power costs, and increased throughput. And also guarding against abrasion, corrosion, and impact during the grinding process.





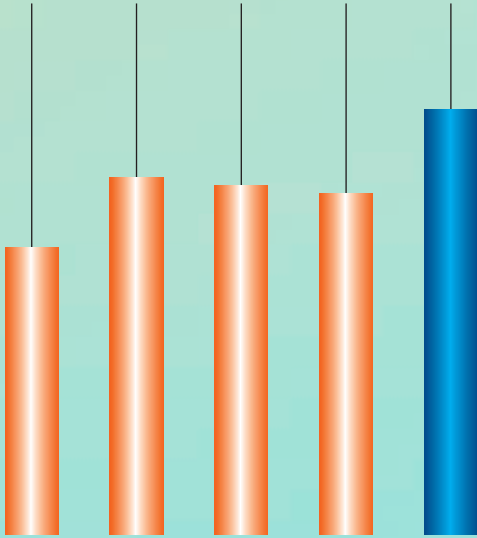
FINANCIAL PERFORMANCE



NET SALES

(₹ in Lakhs)

2,39,630 2,96,908 2,89,132 2,82,548 3,52,316



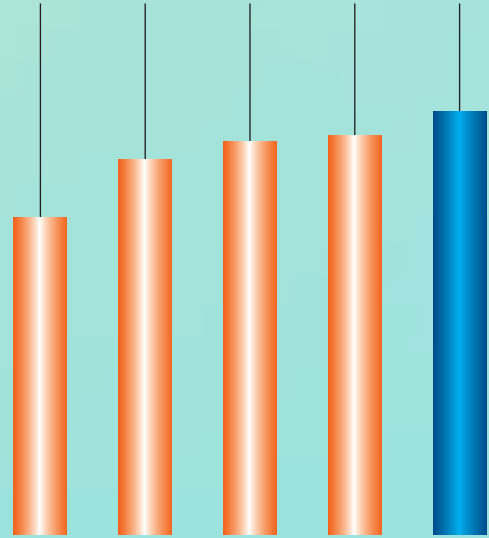
2017-18 2018-19 2019-20 2020-21 2021-22



EBITDA

(₹ in Lakhs)

65,751 78,079 82,219 82,744 87,724



2017-18 2018-19 2019-20 2020-21 2021-22

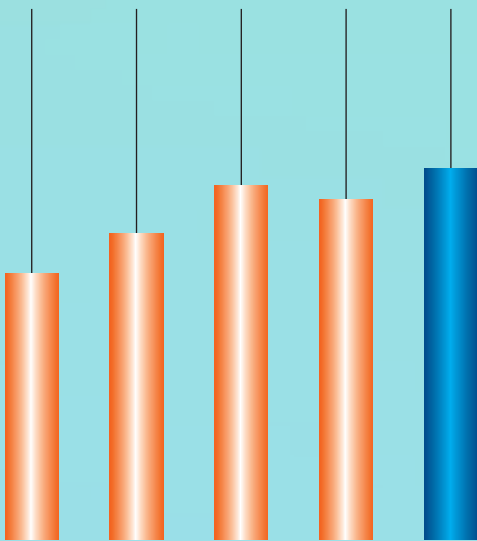


PROFIT AFTER TAX

(After Minority Interest)

(₹ in Lakhs)

44,335 51,083 59,036 56,612 61,968



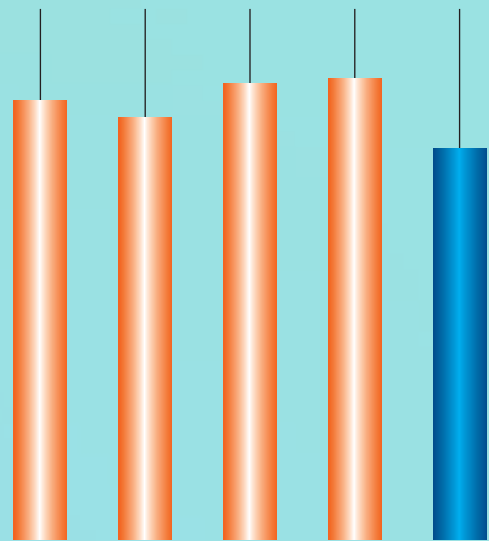
2017-18 2018-19 2019-20 2020-21 2021-22



EBITDA MARGIN

(%)

27.44 26.30 28.44 28.72 24.59

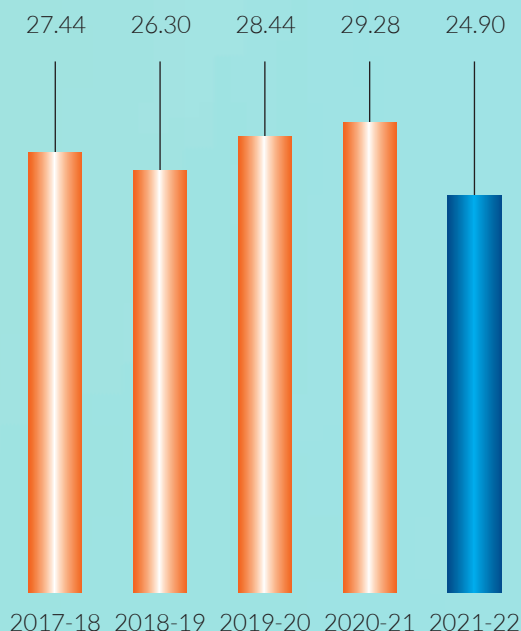


2017-18 2018-19 2019-20 2020-21 2021-22

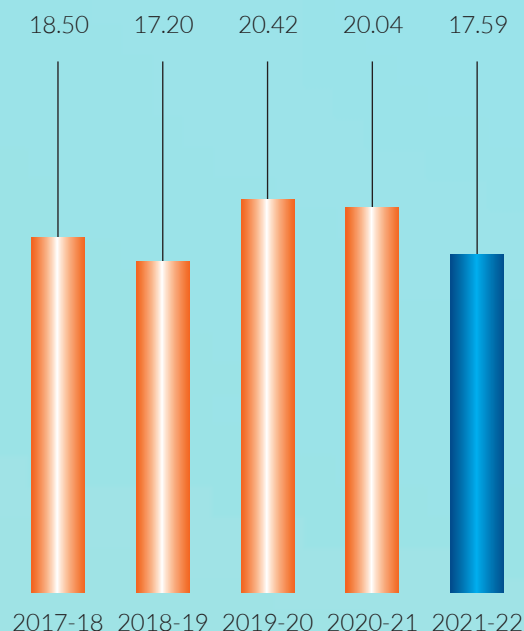




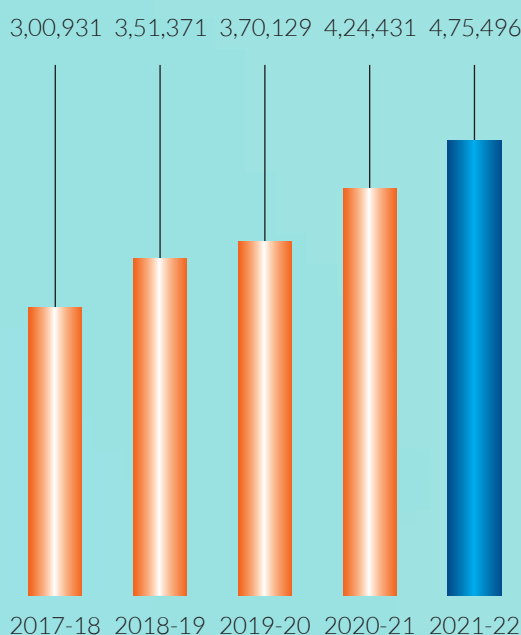
OPERATING PROFIT MARGIN (%)



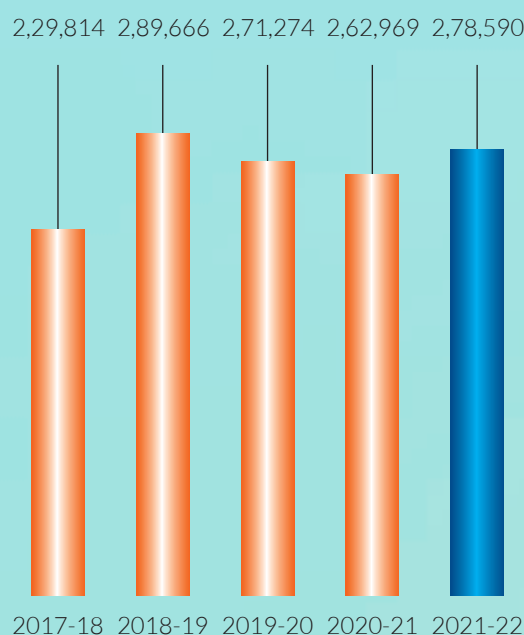
PROFIT MARGIN (%)



NET WORTH (₹ in Lakhs)



PRODUCTION VOLUME (in MT)





CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible Company, AIA believes in giving back to the society. The Company creates a positive impact and provides inclusive growth within the communities, in which we work.



ERADICATING HUNGER

₹ **31**
Lakhs

PREVENTION & PROMOTING HEALTHCARE

₹ **362.41**
Lakhs

PROMOTING OF EDUCATION & VOCATIONAL SKILLS

₹ **581.88**
Lakhs

PROTECTION OF NATIONAL HERITAGE, ART & CULTURE

₹ **29**
Lakhs

PROTECTION OF ENVIRONMENT & ANIMAL WELFARE

₹ **228.92**
Lakhs

EAT BETTER LEARN BETTER

AKSHAYA PATRA
Unlimited food for education

HAPPINESS KIT

Supported by:

AIA Engineering Ltd.
ISO 9001 Certified

* इस किट में बच्चों के लिए किराने का सामान, शैक्षिक आपूर्ति, स्टेशनरी और स्वच्छता उत्पाद हैं।
* कृपया इस किट को खोलने से पहले अपने हावों को अच्छी तरह से धो लें।
* This kit contains groceries (dry rations), educational supplies stationery and hygiene products for children.
* Please wash your hands thoroughly before opening this kit.

www.akshayapatra.org

THIS KIT IS NOT FOR SALE

Conceptualized by AIT

EDUCATION INITIATIVES

Every individual has the fundamental right to education. It is the preliminary step in developing people’s awareness, critical thinking, and capacity for self-improvement. India has approximately 1.5 million schools with over 260 million students enrolled and over 42,000 higher education institutions. Although it boasts one of the largest higher education systems in the world, there is still a lot of potential for improvement. At AIA, we are committed towards supporting India’s education system towards flourishing.

GYAN DEEP PROGRAMME (AIA ENGINEERING DIGITAL CLASSROOM PROJECT)

AIA Company has continued to expand the Company’s educational initiative called as Gyan Deep Programme through AIA CSR Foundation. This initiative was designed to improve the quality of education in Government primary schools from 1st grade to 8th grade. It focuses on advancing digital education in these schools. It is a multi-year programme involving three agencies i.e. Yuva Unstoppable, Jeevantirth and Zeal Educational Consultants Private Limited and is implemented through digital smart classrooms and tablet laboratories. It is located in Ahmedabad, providing critical and necessary training and education services to students, instructors, and parents throughout the year.



STUDENTS BENEFITTED

5,000+





JEEVANTIRTH VAAGALE UTSAV

Jeevantirth is implementing the 'VaaGaLe Utsav' - Joyful Learning & Meaningful Education project as part of AIA 'GyanDeep Programme' educational effort. This project has benefitted 11 Government schools in and around, Ahmedabad. The goal is to prepare them for child-centered education through knowledge construction, relationship-building activities, the creation of Activity Sheets, Working Materials, and Stationery for Students, and active participation in workshops such as scientific fairs. To re-ignite interest in the educational process in a pleasant and interactive way through experiential learning.



TRAINING OF THE EDUCATIONAL VOLUNTEERS (BAALMITRAS) & TEACHERS

To prepare the BaalMitras for the child-centered education based on knowledge creation at Jeevantirth, Juna Koba, four half-day trainings were conducted. They received instruction on how to operate the VaaGaLe Kit and other TLMs (Teaching Learning Materials) effectively. The use of free talk, image talk, object talk, children's songs, and storytelling was demonstrated through practical instruction. Teachers at the schools were urged to learn about and understand how to apply our TLMs from BaalMitras so that they could utilise them successfully as follow-up activities.



GOVERNMENT SCHOOLS SUPPORTED

11

YUVA UNSTOPPABLE

AIA, in collaboration with Yuva Unstoppable, aims to create and foster an atmosphere that encourages the use of Information and Communications Technology (ICT) in Government schools. Widespread availability of access devices, Internet connectivity, and promotion of ICT literacy are all important components of such an enabling environment. The goal is to enable every student of Government Schools to become 'Digitally Literate', as well as to prepare school teachers in the effective delivery of education via the use of IT resources and the most up-to-date techniques and aids. By fostering self-learning, this would help to promote critical thinking and analytical skills while also encouraging a shift in the learning environment from teacher-centred to student-centred.



We supported these schools with:

SMART TV

An interactive large screen television that anyone, teacher or student, can walk up to and use, with little or no training. Teachers may leverage the smart hardware and software of the Smart TV to improve student engagement and motivation.



ANDROID BOX

A set-top box that converts video content to digital or analog signals which can be displayed via Smart TV installed in the classrooms. This Android box comes with a pre-installed educational content for students from grades 1st to 8th.

INSTALLATION OF EDUCATIONAL CONTENT ON TABLET

Our field team have installed educational application like “*Shala Mitra*” and “*G-Shala*” on these tablets. These are comprehensive learning tools with educational content for standards 1st to 12th

POSITIVE IMPACT ON STUDENTS AND TEACHERS

The students have been the largest beneficiary of this educational initiative. At AIA, we supported these students by:

- Enhancing and enriching the learning process of every child
- Offering interactive graphical animated content for better understanding
- Providing interesting and joyful learning
- Explaining the correct usage of technologies like computer, mobile phone, internet among others as part of the learning process

With the use of interactive, graphically animated content as well as lesson planning, lesson summaries, and further reading for assistance and understanding, Interactive Teaching-Learning Solutions have assisted teachers significantly.

ZEAL EDUCATION

AIA CSR Foundation, an initiative of AIA Engineering Limited, signed an agreement with Zeal Educational Consultants Private Limited in January 2022 to undertake its ‘Turning Point’ Programme with seven selected schools in and around Changodar, Ahmedabad near manufacturing plant of AIA. All schools were invited to send two teachers to a five-day training programme to learn how to teach in a fun and experimental way.





AIA CSR FOUNDATION SCHOLARSHIP PROGRAMME – VIDYASAARATHI

According to the AISHE (All India Survey on Higher Education Report), just 27.1% of Indians are enrolled in higher education. Considering the enormous dropout rate in higher education enrolment, which stands at more than 73%, there needs to be significant introspection.

Through a unique education scholarship management system called Vidyasaarathi, the AIA CSR Foundation addresses challenges of education among the impoverished and creates employment prospects through educational support. It assists deserving students in overcoming the major obstacle of pursuing higher education by removing the financial barrier, so contributing to the country's education and growth. Vidyasaarathi is an initiative by Proteane Gov Technologies Ltd. (earlier known as NSDL e-Governance Infrastructure Ltd.) It is an online portal that connects corporates and students onto a single platform and helps effectively implement an end to end scholarship grant programme. TATA Institute of Social Sciences supports the Vidyasaarathi initiative. It serves as the Central Trust for the distribution of Vidyasaarathi scholarships.

AIA SCHOLARSHIP PROGRAMME

COURSES

- Class 11 • Class 12
- Undergraduate Courses (12+3)
- B.E/B.Tech • Diploma • ITI

MINIMUM ELIGIBILITY CRITERIA

- Open to All Gender
- Minimum 50% in Class 10th & 12th
- Annual Family Income to be 5 Lakhs & below

For more details visit www.vidyasaarathi.co.in or email us at vidyasaarathi@nsdl.co.in

[@Vidyasaarathi](#) [Vidyasaarathi](#) [_vidyasaarathi](#) [Vidyasaarathi](#)

HEALTHCARE INITIATIVE

CHETANA EMPOWERMENT

Chetana Empowerment Foundation, in collaboration with AIA, is trying to de-stigmatise mental health and create a positive mental health environment. It held 300 meditation webinars in which more than 15,000 persons took part and benefitted greatly.



PLANTATION INITIATIVE

Another major initiative of AIA is protecting the environment and reducing carbon footprint. The Company has undertaken initiatives such as 'Plantation' and 'Reclamation of Land' and successfully planted 1,00,000 trees during the year.



TREES PLANTED DURING THE YEAR

1,00,000





ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

About the Environmental Social and Governance Report

THIS IS AIA'S (AIA ENGINEERING LIMITED) SECOND ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT. IT AIMS TO COMMUNICATE THE COMPANY'S STRATEGY AND APPROACH TOWARD SUSTAINABILITY. THIS REPORT IS PREPARED ANNUALLY AND ELUCIDATES THE COMPANY'S PROGRESS ON MATERIAL SUSTAINABILITY MATTERS TO AIA'S KEY STAKEHOLDERS, VIZ. CUSTOMERS AND INVESTORS. IT HELPS US TO COMMUNICATE OUR CORPORATE STRATEGY AND ITS ALIGNMENT WITH OUR VISION, MISSION, KEY ACTIVITIES, AND OUTCOMES.

THE REPORT IS PREPARED BASED ON THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) AND GLOBAL REPORTING INITIATIVE (GRI) STANDARDS. THE REPORT IS ALSO ALIGNED WITH THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS).

THE SCOPE OF THIS REPORT IS LIMITED TO AIA'S MANUFACTURING PLANTS IN INDIA.



Stakeholder Engagement

A stakeholder is an entity or individual that can reasonably be affected by the Company’s activities, products, and services, or whose actions can reasonably affect the ability of the organisation to successfully implement its strategies and achieve its objectives. We strive to develop strong relationships

with our key stakeholders to provide long-term value and sustainable growth. Continuous, ongoing, strategic and need-based engagement with stakeholders is a business prerequisite. Inputs from stakeholders also give us an insight into risks, opportunities, and future outlook.

Engagement Process

To achieve positive and effective stakeholder engagement, we follow a three-step process. The management gathers inputs through direct and indirect engagement with different stakeholder

groups. The inputs thus gathered are incorporated into our decision-making process, translating into continuous improvement.



Why they are important

Stakeholder priorities

Frequency and mode of engagement



EMPLOYEES

The employees are our power. We are developing a workforce to meet the current and future needs of our customers. A collaborative effort between employees and their supervisors provides opportunities for growth and performance-driven culture for delivering the right products and services to customers.

- Occupational Health & Safety
- Training and Development
- Employee Engagement Practices

- Monthly, half-yearly, and need-based
- Performance appraisal
- Emails and circulars
- Health, Safety, and Environment (HSE) committee meetings and safety alerts
- Training and awareness
- Forums like Kaizen/5S



CUSTOMERS

Customers are important as they are the direct users of our products. Customer feedback is important as it helps us in maintaining brand reputation and steady cash flows. It is critical to ensure customer satisfaction.

- Product Quality
- Climate Change
- Occupational Health & safety
- Water Management
- Waste Management
- Employment Practices
- Human Rights

- Continuous, on-going, and need-based
- Customer satisfaction index



INVESTORS




Investors help us ensure proper deployment of capital and guide us on proper utilisation of funds. By forging a strong investor relationship, we can maintain a loyal shareholder base, enhance long-term shareholder value, lower the cost of capital, and build long-term credibility with them. They also help in enabling our long-term growth and expansion plans.

- Business Ethics and compliance
- Strong Governance and Risk Mitigation
- Climate Change
- ESG Performance
- ESG Disclosures

- Quarterly, annual, and need-based
- Annual general meetings
- Quarterly earnings calls
- Presentation and investor conferences
- Regular disclosure to stock exchanges
- Updates on the Company website





	Why they are important	Stakeholder Priorities	Frequency and mode of Engagement
 GOVERNMENT & REGULATORS	<p>We engage with statutory/regulatory bodies like the stock exchanges, tax departments, SEBI, and pollution control boards to ensure compliance with the applicable regulations.</p>	<ul style="list-style-type: none"> ■ Business Ethics and Compliance ■ Corporate Social Responsibility ■ Anti-corruption 	<ul style="list-style-type: none"> ■ Monthly, quarterly, annually, and need-based ■ Emails ■ Progress and performance reports ■ Accident incident reports ■ Returns under applicable laws
 COMMUNITIES	<p>Active engagement allows us to identify community needs and measure impact and outcomes of our CSR interventions. Engagements at grass-root level have enabled us to forge long-lasting relationship with society in the areas we operate.</p>	<ul style="list-style-type: none"> ■ Livelihood and support ■ Hygiene and sanitation facilities ■ Healthcare facilities ■ Education 	<ul style="list-style-type: none"> ■ Need-based and on-going ■ Community meetings and visits ■ Interaction with local bodies
 SUPPLIERS & VENDORS	<p>We believe in trust and long-term partnerships with our vendors and suppliers. Our operations are dependent on the timely availability of raw materials and services. These, in turn, have a material impact on the efficiency of the production process.</p>	<ul style="list-style-type: none"> ■ Payment terms ■ Fair and transparent dealing ■ Safety system and performance 	<ul style="list-style-type: none"> ■ Continuous ■ Quarterly performance review ■ Supplier feedback

Material ESG Priorities

Material topics are topics that have the potential to significantly determine a Company's performance.

We strive to identify and respond to current and emerging environmental and social topics that may have an impact on AIA's business. These material ESG matters give us a better understanding of the impact

of our activities and how our performance may be impacted by the stakeholders. Effective management of these material issues enables us to drive long-term value for our investors, customers, and other stakeholders.



Materiality Assessment

Materiality assessment allows us to better understand the perspectives of stakeholders' groups on important materiality issues. We follow a structured 4 step process for determining AIA's material issues.

In the reporting year, climate change emerged as a high priority for customers and investors alike. We, therefore, moved it from significant to major priority

for stakeholders. In response to this, we have increased the scope of reporting on climate change to include all the manufacturing plants in India. We have also been taking various steps and initiatives to make a more robust strategy for management of AIA's Material ESG Priorities. Waste Management and Circular Economy were shifted from major to significant priorities for stakeholders.

Identification & Prioritisation

A laundry list of ESG topics based on customer and investor needs was developed. These were further prioritised based on customer and investor priorities for the year.

Analysis

They are analysed using AIA's priorities and future strategy. They are also aligned with the SEBI's BRSR requirement. They are also mapped against AIA's Risks.

Determining KPIs

We developed KPIs for monitoring and tracking progress and for measuring the impact of AIA's activities.

Reporting

We use the SASB Standards and GRI Standards to report performance on an ongoing basis.

Material Matters

		○ Social	○ Environmental	○ Governance
IMPORTANCE TO STAKEHOLDERS	Major		<ul style="list-style-type: none"> ○ Waste & Circular Economy ○ Water ○ ESG Risks 	<ul style="list-style-type: none"> ○ Health & Safety ○ Climate Change ○ Energy Management
	Significant	<ul style="list-style-type: none"> ○ Community Impacts ○ Human Rights 	<ul style="list-style-type: none"> ○ Training & Development ○ Anti-competitive behaviour ○ Anti-Bribery & Anti-corruption 	<ul style="list-style-type: none"> ○ Business Ethics & Integrity ○ Customer Relations ○ Compliance
	Moderate	<ul style="list-style-type: none"> ○ Anti-Discrimination & Diversity 		
		Moderate	Significant	Major
		IMPORTANCE TO AIA		



ETHICAL GOVERNANCE

Corporate Governance is meeting our strategic goals responsibly and transparently while being accountable to our stakeholders. We are committed to maintaining high standards of ethics, corporate governance, honesty, and accountability, aligned with our vision and values, in all aspects of our business. We are equipped with a robust governance framework that considers the long-term interest of every stakeholder with a commitment to integrity, fairness, equity, transparency, accountability, and values.

We always strive to achieve optimum performance at all levels by adhering to good Corporate Governance practices, such as:

- Fair and Transparent business practices
- Effective management control by the Board
- Adequate representation of Promoters and Independent Directors on the Board
- Monitoring of executive performance by the Board
- Compliance with applicable regulations
- Tax transparency

Our Board of Directors (Board) is actively involved in ensuring that we have the right strategy, policies, and an effective risk management process to identify growth opportunities and deliver long-term value for the Company and its stakeholders.

Board of Directors

The Board of Directors is primarily responsible for the oversight of management, strategy, and business affairs. We are spearheaded by a competent, knowledgeable, and committed Board of Directors. The Board provides strategic guidance and independent views to the Company's senior management.

9

Total Board Members

5 (56%)

Number and Percentage of Independent Directors

6:3

Male Female Ratio

List of Directors as on 31 March, 2022

Sr. No.	Name of Directors	Date of Appointment	Designation
1	Mr. Rajendra S. Shah	15 March, 2005	Chairman, Independent Director
2	Mr. Bhadresh K. Shah	11 March, 1991	Managing Director
3	Mr. Yashwant M. Patel	12 November, 2010	Whole-Time Director
4	Mrs. Khushali Samip Solanki	7 November, 2014	Woman Director
5	Mrs. Bhumika Shyamal Shodhan	7 November, 2014	Woman Director
6	Mr. Sanjay Shailesh Majmudar	7 May, 2007	Independent Director
7	Mr. Dileep C. Choksi	27 January, 2014	Independent Director
8	Mr. Rajan Ramkrishna Harivallabhdas	14 May, 2015	Independent Director
9	Mrs. Janaki Udayan Shah	26 March, 2019	Independent Woman Director



Committees of the Board

The Board Committees plays a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. For better governance and accountability, the Board has constituted the following Committees.

Ethical Business Conduct

Transparency and accountability form the bedrock of Governance. Ethical Business Conduct is an essential priority for the Company. Timely and accurate disclosure of information regarding the Company's position and performance to the stakeholders is an important part of corporate governance. All our Board Members, senior executives, and employees are made aware of the Code of Conduct (CoC). These members are also required to sign the CoC annually, as a part of the annual compliance report.

Risk Committee

CSR Committee

Audit Committee

Nomination and Remuneration Committee

Stakeholder Relationship Committee

Avoidance of Conflict of Interest

We follow the Model Code of Conduct for the Directors/Designated Employees of the Company for the prevention of Insider Trading. The said Code of Conduct for prevention of the Insider Trading has also been amended from time to time in line with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 in this regard. Training on code of conduct is imparted periodically.





GOVERNANCE OF CLIMATE AND ESG

Strong ESG performance directly leads to economic performance and long-term value creation for our stakeholders. The CSR Committee and the Risk Management Committee oversee the implementation, monitoring, and reporting of sustainability, ESG, climate-related issues and performance, along with CSR policy and its implementation. The governance structure, starting from the Board of Directors to the senior management down to the employees is developed to make ESG systematic and intertwined to the business decisions.

ESG and climate change agenda is steered as follows:

ESG Committee

The ESG committee is chaired by the Managing Director, Mr. Bhadresh Shah, and Whole-Time Director, Mr. Yashwant Patel. Other members include functional leaders representing finance, legal, operations, risk, and procurement. The committee meets every quarter to develop and review the agenda for ESG and climate change.

The ESG committee is responsible for the overall vision and direction of ESG-related matters. It reviews the progress of the Company's sustainability and climate change agenda, approves the ESG budget, plans and allocates resources to the ESG working group, and identifies the KPIs at regular intervals. The committee also reviews the compliance with applicable regulations, voluntary standards and norms, and performance in relevant aspects of sustainability. It also reviews and approves all public disclosures on ESG, including the ESG Report.

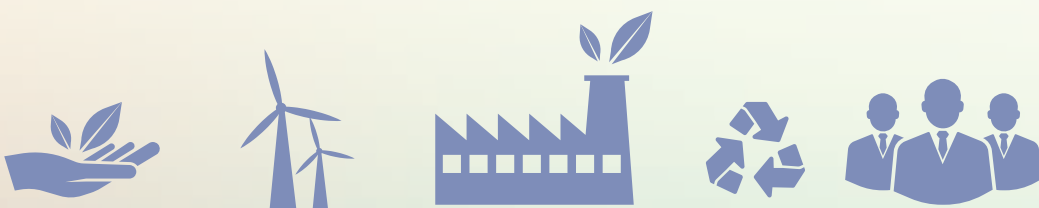
ESG Working Group

One level below the ESG committee, the ESG Working Group, operates in a cross-functional manner. The ESG Working Group is chaired by the Corporate Advisor. It consists of a team of members who represent different functional units and meet every month to implement the ESG strategy and agenda.

The Working Group engages with the stakeholders, regulatory bodies, and rating agencies that are relevant to sustainability and identifies the material ESG matters and risks. It develops the ESG charter, and maps the roadmap of the Company to formulate long-term and short-term ESG plans. It monitors and tracks ESG data for the identification of KPIs and provides all the information for the ESG reports. The committee also monitors compliance with all applicable environmental regulations along with customer and investor requirements. The other responsibilities of the Working Group Committee are to develop a response to Carbon Disclosure Project (CDP) and fulfill its reporting requirements. The Working Group also responds to audit requests from customers and organises training for employees on various ESG related matters.

ESG Governance Framework

We have the best-in-class policy portfolio keeping in mind the interest of the Company, Board of Directors, shareholders, customers, and other stakeholders. Our Board of Directors and Employees provide policy directives for business actions and outcomes to ensure that the aspirations and the best interest of its stakeholders are kept foremost.



The policy portfolio for the senior management as well as the employees is listed below.
The detailed policies can be viewed at <http://www.aiaengineering.com/finances/policy.php>

Environment

- **Environment Policy**
<http://www.aiaengineering.com/finances/pdf/EnvironmentPolicy.pdf>
- **Waste Management & Circular Economy Policy**
<http://www.aiaengineering.com/finances/pdf/WasteManagementCircularEconomyPolicy.pdf>
- **Climate Change and Energy Management Policy**
<http://www.aiaengineering.com/finances/pdf/ClimateChangeandEnergyManagementPolicy.pdf>
- **Water Management Policy**
<http://www.aiaengineering.com/finances/pdf/WaterManagementPolicy.pdf>

Social

- **CSR Policy**
<http://www.aiaengineering.com/finances/pdf/CSRPolicy.pdf>
- **HSE Policy**
Human Rights Policy
<http://www.aiaengineering.com/finances/pdf/HumanRightsPolicy.pdf>

Governance

- **Code of Conduct – Board of Directors and Senior Management**
<http://www.aiaengineering.com/finances/codeofconduct.php>
- **Whistle-Blower – Vigil Mechanism**
http://www.aiaengineering.com/finances/pdf/AIA_PolicyWhistleBlower-VigilMechanism.pdf





ESG RISK MANAGEMENT

AIA recognises that risk is inherent to our business and effective risk management is critical for the protection and creation of value for stakeholders. We believe that effective risk management is fundamental to good corporate governance. The management believes that sustainability in business operations can only be derived by identifying probable business risks and identifying ways to mitigate them proactively. The Risk Management Committee is responsible for identifying and monitoring environmental, social, and governance risks like climate change, bribery, human rights, etc. The key risks and mitigating measures are placed before the Board twice a year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a risk management framework that helps evaluate, prioritise, and escalate the risk to the highest governing body in the organisation. The framework is implemented across the Company. It enables all the employees to raise any kind of risk associated with their work functions. It also defines and sets appropriate risk limits and controls to monitor risks and ensure the management of risks.

The Audit Committee and Risk Management Committees are supported by the finance team and experts who assure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial and non-financial risks are identified, measured, and managed as per the Company's policies.

Economic, Environmental, and Social Risks and Opportunities and Financial Impacts

RISK	IMPACT	MITIGATION MEASURES
Employee Productivity due to Climate Change	<ul style="list-style-type: none"> There has been a systemic increase in temperatures during the summer months of April – July. This causes a drop in employee productivity in the melting and heat treatment areas and the subsequent drop in production during those months. 	<ul style="list-style-type: none"> Improved working conditions and initiatives to improve air circulation at the plants.
Economic Impact due to Supply Chain Disruptions	<ul style="list-style-type: none"> Because of disruptions in the global supply chain, the import of scrap has declined leading to an increase in the cost and non-availability of scrap. An increase in shipping cost leads to an increase in WIP inventory and an increase in stock levels. Delays in shipping because of global shipping disruptions can lead to penalties for late delivery of the product. Need for the greater holding of the inventory at the distribution centres. 	<ul style="list-style-type: none"> Broaden the scope and horizon of procurement of local scrap. Plan for higher WIP and inventory level of raw material and finished product.
Climate-related Disclosure Requirements driven by Customer Demand	<ul style="list-style-type: none"> Our customers are in energy-intensive sectors – mining, cement, and aggregate. They have climate-related disclosure mandates imposed on them by Governments and other stakeholders. Climate action is passed on to AIA as a supplier. Institutional investors are also asking for information on the AIA's impact on climate change by way of feedback and questionnaires. 	<ul style="list-style-type: none"> We have developed a Climate Strategy which includes a reduction in Greenhouse Gas (GHG) emissions of our activities as well as the category of grinding media and castings that we manufacture. We have also participated in the CDP disclosure since 2020-21 and will do so annually.

RISK

Net Zero Ambition of Customers

IMPACT

Some of our global customers have taken targets to be Net Zero Carbon as per the National Commitments of their home countries. As a critical supplier to our customers, AIA is required to have a climate strategy with a defined roadmap and GHG emission reduction targets.

OPPORTUNITY

We see an opportunity in terms of reducing the energy consumption of our products which will allow us to support the customers in meeting their commitments.

Anti-bribery & Anti-corruption (whistle-blower)

Bribery and corruption can be a risk to our brand, reputation, and business growth. AIA is committed to fighting corruption in all its forms – both direct and indirect. We have adequate checks and balances in place to ensure that there is no corruption across our business activities and operations. The Whistle-Blower Policy helps ensure effective enforcement of anti-corruption practices across the Company.

GRI 205-1: Operations assessed for risks related to corruption

The Whistle-Blower Policy applies to the Board of Directors, Management, employees, and business partners of AIA and Vega Industries (Foreign Subsidiaries). As part of our enterprise risk assessment, we monitor activities that may pose a risk of direct or indirect forms of corruption in our business practices across the value chain.

GRI 205-2: Communication and training about anti-corruption policies and procedures

As part of the prevention, identification, and detection of Anti-bribery and Anti-corruption issues, training is conducted for all employees at the time of induction. Dissemination of this policy for new hires is carried out at the time of induction. The policy is communicated to all employees.

The Company’s zero-tolerance approach to bribery and corruption is also communicated to all suppliers, contractors, and business partners at the outset of the Company’s business relationship with them and as appropriate thereafter.

GRI 205-3: Confirmed incidents of corruption and actions taken

In the reporting year, there were no incidents of bribery and corruption.





ENVIRONMENTAL STEWARDSHIP

Human activity, without consideration of the impact on the planet, has led to adverse effects like climate change, extreme water stress, raw material availability, biodiversity loss, etc. Protection of the environment is, therefore, a priority for AIA. It is also expressed as a priority by our investors and customers.

AIA promotes a philosophy of environmental stewardship. We are committed to demonstrating environmental responsibility across our operations and activities. Environmental metrics are managed through a defined framework embedded into all our operations. The Environment, Health and Safety (EHS) Department undertakes a periodic review and updates the policy, monitors its effectiveness, and reviews its implementation.



Management Approach

Our mandate is to go beyond compliance and adopt the precautionary approach of 'Do No Harm'. Environmental risks have been integrated into the enterprise risk management process. To ensure continued action towards environmental stewardship, we formulated AIA's Environmental Policy, Water Policy, Waste Management Policy, and Climate Change and Energy Policy. These policies apply to

all manufacturing plants with the responsibility of its implementation with the respective plant heads. Successful implementation is overseen by the plant heads and discussed each quarter with the Risk Management Committee. Plants with the highest environmental impact, located at Moraiya and Kerala GIDC, are certified for Environment Management System - ISO 14001:2015 and Occupational Health and Safety Management System - ISO 45001: 2018.



Environmental Compliance

AIA is committed to minimise the adverse impact of our activities and operations on the environment. There is a robust management process for tracking compliance with applicable environmental regulations. We are compliant with all EHS regulations stipulated under the Water (Prevention and Control of Pollution) Act, The Air (Prevention and Control of Pollution) Act, The Environment Protection Act, and the Rules thereunder. We have carried out an Environmental Impact

Assessment for the key manufacturing plants in Kerala (K1) and Moriya (M1).

GRI 307-1: Non-compliance with environmental laws and regulations

In the reporting year, there were no fines, penalties, or show cause notices for non-compliance with applicable environmental regulations at any of our plants.



Climate Change

Climate change's direct and cascading effects are well documented and universally acknowledged. They are being felt all over the world, including in India. Direct and indirect impacts of climate change on businesses and society are being experienced by all. Climate change acts as a risk multiplier, exacerbating existing environmental and ecosystem challenges such as

limited availability and steady depletion of natural resources such as biodiversity. It is a critical focus area for AIA and is also expressed as a priority by AIA's investors and customers. To understand the impacts of our operations on the climate, we calculated the GHG emissions (scope 1 and scope 2) from operations at all our units in Ahmedabad.



EM-IS-110a.1. Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations

The monitoring and reporting of GHG emissions are not covered under any emission-limiting regulation and are done purely voluntarily. The total scope 1 and scope 2 emissions are tabulated below.

Total GHG Emissions (MTCO2e)	2020-21	2021-22
Boundary	M1 and K1	All Manufacturing Plants in India
Scope 1	12,193.87	17,244.09
Scope 2	1,55,681.33	2,38,819.72
Total Scope 1 + Scope 2	1,67,875.20	2,56,063.81

EM-IS-110a.2. Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

We have a plan to manage our scope 1 and scope 2 emissions. It focuses on improving efficiency at different stages of production and switching to renewable energy sources.



Process Efficiency

Melting

We use medium frequency induction furnace for all our melting operations. They rely on electricity. The closed-loop process ensures that the loss of energy and heat is minimal, helping reduce GHG emissions.

Heat Treatment

Direct Energy is used in the heat treatment process at all our foundry units. We have switched to Piped Natural Gas from Light Diesel Oil and C9 to reduce our Scope 1 emissions.

We have also installed flue gas recuperates on all the gas (PNG) fired Heat Treatment Furnaces. It helps to improve furnace efficiency and recover heat from the flue gases. The waste heat recovered is used in preheating the combustion air supply to the burners.





Energy Reduction Initiatives in 2021-22

Sr.	Head	Sub-head	Unit saved (KWh)	Total unit saved (KWh)
1.	Effective usages of machine leading to energy savings	Improved furnace coil cooling	23,040	4,85,681
		Modifying operations of certain equipment's from manual to auto mode	1,60,361	
		Efficient usages of utility equipment	1,13,100	
		Interlocking hydraulic motor in heat treatment	28,860	
		Efficient temperature settings of chiller	1,60,320	
2.	Technology upgradation leading to energy savings	Replacing conventional sodium vapour light by LED light	2,76,524	11,33,400
		Using 30 KW fan in heat treatment tempering process instead of 200 KW blowers	21,200	
		Installation of VFD's in FES	8,07,360	
		Operation of certain product handling equipment & cooling tower by VFD	28,316	
3.	Improved operational & maintenance efficiency leading to energy savings	20 units/ton of LMC reduced in grinding media plant by efficient usage of furnaces	23,31,687	23,31,687
4.	Improved temperature & pressures settings in coil cooling pump & compressor	Improved temperature & pressures settings in coil cooling pump & compressor	5,41,678	5,41,678
Total unit saved per annum (KWh)			44,92,446	



Renewable Energy

The systemic increase in the percentage of renewable energy in our total energy mix is our medium to long-term strategy to address our scope 1 and scope 2 emissions. AIA has installed 11 Wind Energy Turbines at the Kutch and Jamjodhpur sites having total capacity

of 24.3 MW of renewable energy. In 2021-22, AIA was able to meet 17 % of the Company's total (Group's all plants) electricity requirement through renewable energy sources.

Total Energy Use	Unit	2020-21	2021-22
Boundary		All AIA group plants	
WE Turbine	Nos.	09	11
Installed Capacity	MW	18.9	24.3
Generated Power	MWH	50,900.92	60,739.11
% of Total Electricity req.	%	17	17

17%

Total electricity requirement through renewable energy sources in 2021-22



Air Emissions

The Company takes the necessary measures to check and prevent pollution. All stacks are ≥ 30 meters in height and are linked to an online stack monitoring system for oxides of Sulphur (Sox), oxides of Nitrogen (NOx), and Particulate Matter. Apart from this, the Company has a contract with a third-party agency to monitor air quality as per the ambient air quality standards stipulated by the State Pollution Control

Board (SPCB). The emissions are reported to SPCB as prescribed under the Consent to Establish and Operate. The Dust Extraction (DE) system or Fume Extraction (FE) system is linked to the production equipment functioning, failure in any of these will trigger an alarm that automatically shuts down production.

EM-IS-120a.1. Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)

Air Emissions	SO2	NO2	PM
2020-21 (MT/Year)	21.17	6.67	174.64
2021-22 (MT/Year)	14.5	3.75	120.67

* We do not release significant CO, manganese oxide, lead, volatile organic compounds, and aromatic hydrocarbons into the atmosphere.

Energy

EM-IS-130a.1. (1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable

Direct Energy	Unit	2020-21	2021-22
Boundary		M1, K1	AIA Group all plants
Diesel	KL	121	2,19,407
LDO	KL	85.712	10.191
PNG	SCM	77,87,681	1,25,56,842

EM-IS-130a.2. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable

Indirect Energy	Unit	2020-21	2021-22
Boundary		M1, K1	AIA Group all plants
Grid Electricity Consumption	MWH	2,25,914.905	3,63,042.554
Renewable Energy Generated	MWH	38,347.032	60,739.116
Total	MWH	1,87,567.873	3,02,303.438

*Grid Electricity Consumption - Renewable Energy Generated = Net Energy Consumption = 3,02,303.438





Water

Water is a fundamental human need and essential for maintaining ecological balance. Water scarcity is a growing problem, which requires global attention and action. The critical groundwater resources, which account for 40% of India's water supply, are being depleted rapidly. Water stress levels may further worsen due to risks posed by climate change. Recognising the criticality of water as a resource, AIA remains committed to focusing on water management beyond the bounds of our operation. Our strategy toward responsible management of water includes reducing the per capita consumption of water through operational efficiency, recycling and reuse of water, and installation of rainwater harvesting to recharge groundwater levels.

At AIA, the industrial use of water is for cooling the furnace coils, in the moulding process, and the cooling towers. The other activity where water is used includes canteens for drinking, sanitation and gardening.

Water Management Strategy

We recognise the fact that consuming water most efficiently is critical. Water security is one of the most significant global risks in terms of impact. We recognize the growing concern about the scarcity of freshwater resources and strive to implement sustainable water management techniques.

Monitoring and Tracking

The Company monitors and analyses our water consumption patterns to ensure an overall water balance and to capture spikes in water consumption, if any. Meters are installed for the bore well. We monitor total water withdrawal as well as the groundwater level continuously. The data is recorded in a logbook. Water meters have been installed on the main pipeline as well as at the user-end across all units. The records of water consumption are being maintained. We also monitor wastewater discharge into the Sewage Treatment Plant (STP). It has helped us to bring down the freshwater requirement in our operations. The Company consumed 2,70,693 KL/Annum of water during the 2021-22.

Internal Audits and Training

Training is conducted on water saving and conservation for employees and workers from time to time. In addition, an annual water audit is conducted at all our plants. Audit observation and recommendation are implemented without bias and on priority.

Rainwater Harvesting

The Company has installed a rainwater harvesting system to recharge groundwater. Rooftop and run-off rainwater is being recharged through four recharge wells at K1 Plant and two recharge wells at M1 plant along with a pre-filtration system within the plant premises. In addition, three recharge wells are constructed outside the premises - one at Chiloda Village and two at Moraiya Village to recharge groundwater. These recharge wells replenish the groundwater in the area where we operate.

Zero Water Discharge

Complete Zero Liquid Discharge (ZLD) is maintained at all the plants. Some initiatives taken to reduce water consumption are

- A dry-type cooling tower is installed at Kerala GIDC Plant which reduces blow down drastically.
- The cooling tower blowdown is being reused for sand mold preparation, and sand/slag cooling purpose.
- Greywater/sewage are treated in the STP plant. Treated water is reused in gardening, toilet flushing, and cooling towers.
- Automatic/spring-operated water taps are being used to reduce the wastage of potable water.
- At some plants, waterless urinals are installed.

EM-IS-140a.1. (1) Total freshwater withdrawn, (2) percentage recycled, (3) percentage in regions with high or Extremely High Baseline Water Stress

Total Water Withdrawal	2020-21	2021-22
Boundary	M1, K1	AIA Group all plants
Ground Water	1,97,373 KL	2,23,026 KL
Surface water	-	-
Third party water	-	47,667 KL
Water is withdrawn from high-stress regions	Nil	Nil
Total	1,97,373 K	2,70,693 KL
Water Recycled	57,244 KL	69,344 KL
% water recycled	29.0 KL	25.6 KL

Both the withdrawal of groundwater from the bore well and the used of third-party water are less than the quantity consented by the State Pollution Control Board (SPCB).

2,70,693 KL/Annum
Water Consumption for 2021-22





Waste & Circular Economy

As the world shifts toward a circular economy, businesses must take ownership of and manage the waste generated by their operations. Waste generation in India has risen considerably due to its increasing population, rapid urbanisation, and rising consumption levels. However, the infrastructure required for collecting and processing the waste continues to lag. This, along with inadequate at source segregation, has culminated in a massive waste management problem.

Our goal is to reduce the amount of waste we produce and make sure that it is reused or recycled for the same or a different purpose. A 'waste hierarchical approach' is applied, to reduce, reuse, recycle and recover waste products in preference to disposal of waste in alignment with the circular economy. Where possible, we explore opportunities for use of recycled material and reuse of waste by us or other companies through co-processing of foundry waste and other

waste as alternative raw material or fuel. It presents opportunities for environmental stewardship and helps us manage raw material price-related risks.

The Company takes waste management seriously and works toward reducing, reusing, and recycling its waste wherever possible. We optimise the use of key resources including minerals and ensure waste minimisation at sources and facilitate recovery, and recycling. We follow waste management standards that meet or exceed applicable legal requirements and we incorporate industry-best practices into our operations and services. We recognise the negative impact of improper waste disposal on the environment and as a result, put in place strong mechanisms to treat and dispose of the generated waste. We ensure that all waste we generate from our activities is re-melted into the furnace or recycled through authorised recyclers and vendors.

Applying the Principles of Circular Economy

1.1. Reuse of Foundry – Dust/Sand & Plastic to make Eco-friendly Bricks/Paver blocks

Paver blocks and bricks are manufactured by AIA Engineering Limited by using foundry dust, sand, and plastic waste. This is a good way to use industrial waste like sand, plastic, and foundry dust.

A lot of research was carried out which resulted in the possibility of bonding the sand/foundry dust with plastic to make 'Eco-friendly - Silica Plastic Blocks/Bricks' – a sustainable building material that is made from recycling foundry dust/sand waste (80%) and shredded plastic waste (20%) from pp. bags). AIA approached a Gujarat-based brick-making machine manufacturer to get a customised machine /plant that could make paver blocks by reusing silica, foundry dust, and plastic waste.

AIA has invested ₹ 0.5 Crores to erect a captive brick-making plant that can produce 200 Nos. of Bricks/Paver blocks per day by using in-house foundry dust/sand and plastics waste. These bricks have more strength than the conventional red bricks and can be used to construct footpath/pedestal ways, compound walls, sanitary facilities like toilets & washrooms, and decorative structures in schools, penchant, and personal buildings. The paver blocks have a strength equivalent to M 35 of cement paver blocks and can be used for road making for heavy commercial vehicle usage.

1.2. Reuse of Foundry Sand in Cement Kiln - Co-processing

Waste generation is an inadvertent outcome of foundry operations, so it becomes necessary to deal with its repercussions. Discarded moulding sand from the foundries is a solid waste and a by-product of the production process. We have signed an MOU with Ambuja cement and Geocycle, to provide a sustainable business solution for the sand waste generated. The waste discarded sand is used in cement kiln technology (co-processing) in a manner that ensures regulatory compliance, clubbed with the highest standards in OH&S. Ambuja cement is consuming waste generated by AIA's safely in the Company's cement kilns at the plant located at Kodinar, Dist. Gir Somnath, Gujarat.

Sustainable Waste Disposal & Certificate:

For each consignment of waste co-processed at Ambuja Cement /Geocycle, they provide a certificate of disposal mentioning the quantity of waste consumed by them.



Categories of Waste Generated

Hazardous waste

Used oil, waste residues containing oil, discarded contaminated container & liner, and cotton waste as cleaning material.

Non-hazardous waste

Waste foundry sand, slag, refractory waste, and commercial waste like paper, wood rubber, etc.

Other waste

E-waste, batteries waste, bio-medical waste, canteen waste, STP waste.

Hazardous Waste

Hazardous waste is being disposed of/recycled/reused following the hierarchy of disposal to create wealth from waste to promote a circular economy. To ensure material conservation, the top priority is given to Co-processing and/or recycling facility rather than TSDF/INC for hazardous waste disposal.

- The waste residues containing oil i.e., oily sludge generated at our plants are disposed of in SPCB approved CHWIF (Incineration) and transportation, storage, and disposal facility.
- We have a MoU with a SPCB-approved decontamination facility for the reuse of waste containers and recycling of liner and plastics bags.
- Used/waste oil generated is sold only to registered recyclers.
- E-Waste is being disposed of with a registered e-waste recycler.
- Battery waste is being sold to registered battery/lead recyclers only.
- Biomedical waste from OHC is being disposed of with a registered biomedical waste incineration facility.

Non-hazardous Waste

Sand Waste – The Company has integrated mechanical and thermal reclaimer to recycle its moulding sand. This has helped reduce the requirement for silica sand by 80%. The waste sand generated is used in co-processing in the cement kiln/Bricks & Paver block making.

Slag – Either sold to metal recycler vendor or reprocessed in our captive slag processing plant for metal recovery and recovered metal is reused as raw material in foundry operations.

Runner and raiser – Generated in the manufacturing of grinding media and are being reused as raw material in foundry operation.

The fine sand dust - Used in back filling of low-lying areas, at construction sites, for bricks & Paver block making, etc. We have our brick-making plant where dust and PP bags from packaging are reused.

Canteen waste/organic waste – Converted into compost manure by an organic waste composting machine or disposed of through a mobile kitchen waste management facility. Organic compost is being used in the green belt and nursery.

STP sludge – Used for gardening as compost Manure, HT Refractory materials including refractory bricks etc. are sold to designated vendors. Commercial waste likes paper, wood, waste rubber (conveyor belts, tyres), etc. are also sold to the vendors.

EM-IS-150a.1. Amount of waste generated, percentage hazardous, percentage recycled

Non-Hazardous	Method of Handling	Waste Generated	
		2020-21	2021-22
		M1, K1	All AIA group plants
Moulding Sand (MT)	Co processing	20,264	15,684
	landfill	-	60,280
Slag (MT)	In-house processing for metal recovery and rest used in road making	-	9,582
	Sale to recycler	13,289	2,769
Hazardous			26.45
Used Oil (MT)**	Recycling	21.13	26.45
Waste residues containing oil (MT)	Incineration	156.25	20.61
*MS Barrel/Drums	Decontamination and reused	1,026 Nos.	5.99 MT
**Plastic Containers		1,812 Nos.	208.1 MT

*100% Reused, ** 100% Recycle

CREATING VALUE FOR THE EMPLOYEES

Our workforce is our greatest asset. It is the professional expertise and industrial know-how of our people, coupled with their dedication that drives AIA to continued excellence in a dynamic environment.

We create a healthy and inclusive environment and invest in talent development. Management strategies are centered on recruitment, retention, reward, and rejuvenation of our employees. Our people are at the center of all our business operations. We promote a culture of responsibility, diversity, and innovation. We attract and nurture the right talent and ensure professional growth and personal well-being of our employees. Every employee undergoes regular, formal performance and career development reviews and we encourage leaders to have frequent informal performance conversations with their team members. Ensuring the best standards of occupational health and safety is of utmost importance to us.



Employee Value Proposition

Employee Loyalty

We rely on employee loyalty for business sustainability and growth. Employee loyalty and retention are key business imperatives. They also help reduce attrition and save on costs of hiring and training new employees.

We believe in developing in-house talent, and hence, we emphasise talent development and employee loyalty through various learning initiatives and identifying competency gaps.

Health and Safety are Our Mantras

Employees are our biggest assets and keeping them safe is our top priority. We ensure the well-being and safety of our employees through compliance with occupational health and safety standards.

Occupational Health & Safety is about the collective, conscious, and concerted efforts of bringing in behavioural change, technical up-gradation, and design interventions that make our operations safer.

Enabling Technical Competence

We are on a constant lookout for skilled talent and endeavour to constantly up-skill our existing talent to expand into new geographies and sectors to sustain growth.

Building the technical competence of our workforce is one of the key objectives of our training and development programmes. Different training programmes are designed for employees at different levels in the organisation.





Employee Engagement

To make sure that our employees are engaged, connected, and motivated, AIA promotes a culture of responsibility, diversity, and innovation. We have conceptualised and implemented multiple initiatives to enhance employee engagement, thereby leading to a more productive work environment. Employee engagement is an important indicator in gauging employee satisfaction. Employees today are looking for more than a 9 to 5 job. They want to be involved in their work, enthusiastic about the organisation they work for and committed to their fellow employees.

Our HR policies focus on improving employee engagement across the organisation. The overall performance of the Company is dependent upon the commitment to the employees and the support they receive from the HR department by way of enabling policies and focusing on employee well-being.

Covid vaccination drive for employees and workers

To safeguard the health of its workers during Covid-19, AIA provided vaccination to our staff and workmen. The total number of staff that received the vaccination are 1,757.



Employee Health and Safety

Workers' safety is the key to unhindered operations and productivity. Our approach to health and safety is designed to create a safe, healthy work environment.

Foundry operations consist of several hazardous processes, which can affect the health of workers as well as cause injury. The employees are exposed to high temperature, dust, and other occupational hazards and safety hazards. As a responsible corporate, AIA is cognizant of such hazards and takes preventive measures to avoid accidents and ensure that norms of safety, health, and hygiene are adhered, to build a safer and healthier work environment. It is also expressed as a priority by our investors and customers.

Ensuring fair and safe working conditions for all employees and contract workforce as well as visitors is the basic premise on which our human resource policies and practices are built. AIA has installed high-efficiency induction furnaces with double acting suction hoods which have improved working conditions and made foundries cooler, cleaner, and less hostile workplaces.

Disclosure 403-1: Occupational health and safety management system

People's safety is ensured through several levels of checks and balances throughout the organisation. Various policies, management systems, training and awareness sessions are conducted regularly. These systematically bring about behavioural change in our

workforce. Our health and safety priorities are clearly articulated in our HSE Policy. With the overarching objective of 'Zero Harm to Life', foundries with the highest OH&S hazard are certified for an ISO 45001: 2018 & ISO 14001:2015. The principles are being applied to all the plants. There has been continued improvement in the safety culture within the Company.

The Company seeks to minimise the EHS impacts due to the Company's manufacturing activities. It provides safe and healthy working conditions, utilises natural and man-made resources optimally and responsibly, plus strives to ensure the sustainability of resources. The Company reports Environmental, Occupational Health and Safety performance, including the assessment of potential EHS risks associated with the operations, to the stakeholders fairly and transparently.

Occupational health and safety objectives

- Zero Harm
- Minimise Unsafe Conditions and Unsafe Acts

Disclosure 403-2: Hazard identification, risk assessment, and incident investigation

There is a robust consultation between the Management and the employees (including worker and worker representatives) on Occupational Health and Safety. All the employees were consulted during the preparation of the OH&S Policy and procedures as well as during HIRA (Hazard Identification and Risk Assessment) process.

Disclosure 403-4: Worker participation, consultation, and communication on occupational health and safety

The employees, workers, and worker representatives participate in planning, establishing, implementing, and maintaining the occupational health and safety management system as well as developing the OHS audit protocol. Feedback is used in improving OHS Management System.

The H&S team with the support of the HODs and concerned personnel determine the needs and expectation of the employees and workers. Workers, contractors, and suppliers are consulted before their roles and responsibilities are assigned to them. They are consulted when any operational changes affect their OHS Management System.

Communication on Occupational health and safety

We communicate information to employees and workers on matters related to occupational health and safety hazards, risks and controls, changes in procedures, if any, along with the customer requirements.

Internal Communication

Internal communication on EHSMS is carried out via inter office memo, display on notice board, or circulation of the copy of a particular document in EHS management system. Notice boards are used to display notices to inform employees about issues such as emergency plans and accident performance or about progress in achieving objectives and targets.

Disclosure 403-9: Work-related injuries

Disclosure 403-10: Work-related ill-health

Safety Performance	Grinding Media	VSMS-Liner	Grinding Media	VSMS-Liner
	2020-21	2020-21	2021-22	2021-22
LTIR	1.16	1.71	7.79	2.28
LTIFR	0.70	0.69	2.97	0.91
LTISR	18.43	1.03	14.10	4.26

Frequency rate = No. of Accidents*10,00,000/Man Hours Work

Severity Rate = Man Days Loss*10,00,000/Man Hours Work

Lost Time Injury Incidence Rate = Number of Lost-Time Injuries *1,000/Average number of persons employed

External communication

When required, relevant information related to OHS Management System is communicated to external stakeholders.

Disclosure 403-5: Worker training on occupational health and safety

AIA ensures the participation of employees and workers in Occupational Health & Safety at all levels through round table meetings, hazard Identification & elimination, assessment and reduction of risks through HIRA Register, Legal Register, and Business Strategic Plan. Other activities include toolbox talks, mock drills, internal H&S audits, OH&S review, and review of operational controls. OH&S training is organised for employees and workers.

Disclosure 403-6: Promotion of worker health

Regular EHS Meetings are held between management and the employees/worker representatives to discuss issues of EHS as well as overall performance (incl. management system performance). The minutes of these meetings are documented and any issues arising from these meetings, that require corrective actions, are communicated to all the employees.

Any changes to Health, Safety and Environment policy are documented.

Disclosure 403-8: Workers are covered by an occupational health and safety management

All the employees, both contractual and permanent, are covered by the Company's Occupational Health and Safety Management System. There is a fair representation of workers in the health and safety committee across all plants.





Training and Development

The Company ensures continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.

All employees undergo an annual performance evaluation. They are also given flexibility to shift to other roles to meet their career aspirations. If there are open positions, the Company first evaluates internal staff to fill such positions.

The Company undertakes various exercises to promote employee morale and career development including:

- Induction and process training is provided when new contractual workers and staff join
- Reorientation is organised every 6 months for permanent and contractual workforce on EHS
- Toolbox training on various safety topics to staff and workers by the safety manager
- Training on workplace discipline, teamwork, positive attitude, communication, 5S, and ISO-QMS
- Managerial staff and operators undergo grooming sessions to develop their capabilities through multi-skilling and role enhancement
- External training is organised for the managerial staff on topics ranging from responsibility to communication skills and personality development



Employment Practices

We believe in creating a healthy and safe work environment for our people while providing world-class working conditions to our employees and creating appropriate learning & development opportunities for them. Our supportive policies encourage diversity at the workplace and create equal growth opportunities. We also provide the right platform for our workers to interact with the Management and uphold their rights.

We take care of our employees and ensure timely payment of wages to the staff. We take cognizance of the work-life balance of our employees, especially that of our women employees. The CTCs are based on qualifications, experience, and capability of the individual. The attrition rate is < 7%, and the average year of association of employees with the Company is > 10 years.





Employee Benefits

AIA has always given prime importance to the Company's employees considering them the most valuable assets of an organisation. Workplace accidents cannot be avoided or predicted. Hence, providing a safe working environment to employees is imperative. AIA is not only an employee-friendly organisation in terms of working culture but also in terms of securing risk of employees by providing various Employee Insurance Policies.

AIA falls under ESIC Zone, so all the employees/workers whose salary is ₹ 21,000 or below are covered under ESIC for various benefits including injury or death due to an accident while at work. AIA has also opted for Employee Compensation Insurance for contract workers as well as employees.

For employees above ESIC, AIA has taken Group Personal Accident Policy covering Accidental death, any kind of disability, loss of earning & medical expenses to some extent, for the worldwide jurisdiction

irrespective of whether the employee is on duty or off duty. In addition, AIA also has Group Term Insurance providing coverage to all the employees.

AIA has also provided medical benefits to the employees in case of hospitalisation on account of any illness, injury, or disease. AIA also has a Group Super Top Up Policy to take care of huge expenses in severe cases of hospitalisation on account of illness, injury, or disease.

AIA has tied up with hospitals for health check-ups of its managerial staff. Mobiles and data cards are provided to specific section of the staff based on the nature of their work. Transport facilities are provided to the staff. Loans are given to staff and workmen based on their needs. The Company provides 12 paid holidays, 12 casual leaves, and 30 privilege leaves to permanent staff and workmen at plants. Permanent and Contract workers are paid as per law, and statutory requirements such as PF, ESIC, Bonus, and Leave Salary are met. In case of emergencies, appropriate medical support or financial help is provided.



Human Rights

We believe that business can only flourish in societies where human rights are protected and respected. We recognise that we have a responsibility to respect human rights.

We strive to respect and promote human rights as per the UN Guiding Principles (UNGCI) on Business and Human Rights in our relationships with our employees, suppliers, and within the communities in which we operate. We strive to maintain and improve systems and processes to avoid complicity in human rights violations.

Our human rights policy applies to all employees of the Company in permanent or contractual roles, as well as the suppliers & vendors and the local communities. Enforcement of the Human Rights Policy is the responsibility of the HR Department. Human Rights risks are overseen by the Risk Management Committee. The Company takes care to ensure that there is no child labour, forced labour, or any form of involuntary labour, paid or unpaid at any of our premises.

AIA has established a grievance mechanism to address all concerns and complaints related to human rights impacts and violations.



Anti-Discrimination & Diversity

Equality, diversity, and non-discrimination are fundamental human rights and essential ingredients to a successful Company. Diversity of employees is encouraged at all levels within the organisation. It helps us to attract talent from different backgrounds, with different viewpoints and skills. This workforce diversity is taken care of at different levels of the organisation. The Company ensures that there are no discriminatory practices in the organisation on the grounds of gender, ethnicity, nationality, or age.

The Company provides and maintains equal opportunities at the time of recruitment as well as during employment, irrespective of caste, creed, gender, race, disability and sexual orientation. The recruitment is based on their aptitude and efficiency.

Our women employees enjoy all provisions as per statutory requirements including maternity benefits. Their safety is ensured through the Company-wide Policy on Prevention of Sexual Harassment. In the reporting year, there were no cases of Sexual Harassment reported at the workplace.





VALUE CREATION FOR CUSTOMERS

AIA is a customer-centric organisation. We are a certified ISO 9001 Company, specialising in the design, development, manufacture, installation, and servicing of high chromium wear, corrosion, and abrasion-resistant castings used in cement, mining, and thermal power generation industries. We design and develop innovative, high-quality products and process optimisation services to meet specific customer needs.



Operational Excellence

AIA has an organisation-wide culture of operational excellence that is built on the tenets of performance management, continuous improvement, and process excellence. Through this, we aim to improve all areas of

performance, including profitability, decision-making, customer needs, partner services, human resources capabilities, and ongoing investment.



5S, Kaizen

Kaizen is a philosophy that focuses on gradually improving productivity by involving all employees and by making the work environment more efficient. Kaizen translates to “change for the better” or “continuous improvement”. We believe in implementing best practices covering the entire business stream. The prime objective is to remain competitive in all respects i.e., Safety, Quality, Cost, and Delivery including employee morale.

To meet the twin objective i.e., to benefit the organisation along with all performance parameters and also to benefit the employees in terms of enhanced knowledge and exposure to best practices, our organisation has implemented initiatives like 5S, and Kaizen.

We have adopted the Kaizen philosophy at our Moraiya and Kerala units, where we are gradually experiencing an improvement in Quality, Cost, Delivery, Safety and Employee morale. Kaizen data is compiled every month in form of Kaizen sheets. Events are organised, where Kaizen Activity teams present their Kaizen results. Their participation is recognised and rewarded.

5S is implemented at our Moraiya and Kerala units. The entire plant is divided into 5S Zones. Each zone is owned by the zone leader and team. Each team practices 5S in a specified zone and does a self-audit daily. The monthly audit is performed by Management Representative and scoring is carried out and displayed.



Research and Development

At AIA, we strive to adopt ahead-of-the curve technologies to ensure and maintain global performance benchmarks. We have an efficient in-house system that helps us to design cost-efficient

products and projects. Our efficient systems and processes, project tracking and control mechanism detect any slippages and identify value enhancement opportunities within the project timeline.





Customer Feedback Management

Continuous and ongoing feedback from customers is used to align with the requirements of the customers. We have a process in place for handling customer complaints related to products and services. A complaint is normally received by the concerned field engineer which is then forwarded to Controller QA for further investigation. Wherever practicable, samples are collected and analysed to understand the reasons for failure.

Category	Type of complaint
Serious	Premature failure of parts
Non-Serious	No failure but shortfall in guaranteed life
Unjustifiable	The material is proven to be not belonging to us; A shortfall in guaranteed life due to wrong application at customer's end

For all sorts of complaints, a root cause analysis is carried out and appropriate corrective actions are taken. All complaints are resolved to the satisfaction of customers and the same is communicated to the customer through our field engineers.

Measuring Customer Satisfaction

We have a system for monitoring information relating to customer perception of the products. Feedback is obtained from customers to represent the spectrum of activities. The attributes assessed are delivery, performance of the product, and after-sales service. The performance is graded on a scale of 1 to 4. Based on feedback received, the Customer Satisfaction Index (CSI) is worked out every year based on the weighted average method. In the reporting year, the CSI score was 97 %.



Environmental and Social Impacts of Products & Services

We carry out a technical evaluation of the customers' requirements and then consider ideal metallurgy for their process applications. This helps our customers to reduce the environmental impacts of their activities and operations.

We do not manufacture any restricted chemicals or products. However, to ensure safety during transportation, handling, and use of our products, we provide Material Safety Data Sheets that list the hazard characterisation and other material safety information of the products we dispatch.

CEMENT

Changing impact conditions can cause conventional grinding media to either loose the shape or show sapling – thus shortening working life, increasing downtime, and increasing costs for the customers.

Our alloys are specifically suited to different impact and abrasion conditions such as low abrasion/high impact and high abrasion/low impact.

MINING

Reduced downtime is critical to successful mining operations. Wear components that last longer are therefore essential. We have developed new alloys and manufacturing techniques that provide improved wear-life for all types of minerals including iron, gold, lead/zinc, bauxite, copper, phosphates, and others.

POWER

Processing fuel is critical to reducing the cost of power generation. By designing components that significantly reduce downtime and maintenance costs. We are helping power plants worldwide to keep down generating costs.

AGGREGATE

Crushing recycled concrete and quarry stones is a critical operation for aggregate industries. By providing suitable metallurgy, we increase life time of crusher parts and thus help aggregate industries in reducing cost and reducing down time.



India Procurement Organisation

ACC

ACC Limited
ACC Thane Complex, L B S Marg
Teen Haath Naka, Thane (W) - 400604
Maharashtra, India

TO WHOM SO EVER IT MAY CONCERN

Phone + 91 22 46728000 / 7650
www.acclimited.com

We acknowledge AIA Engineering as one of the strategic suppliers, who supply products of desired quality as per the required delivery schedule.

We also appreciate their technical services by way of regular visits to our various works and technical study/audit of mills in view to improve mill performance in consultation with plant technical teams.

We hope that your company will continue to exhibit the exemplary performance and sustain the focus of a customer oriented organization.


AJAY SHAH
Head Capex and NCM (E&C)



Registered office : Cement House, 121, Maharshi Karve Road, Mumbai 400 020, India
CIN : L26940MH1936PLC002515



COMMUNITY IMPACT



CSR Strategy

Our CSR initiatives are designed to actively contribute to the Social, Economic, and Environmental Development of the community in which we operate. We enable the socio-economic development of the community through focused initiatives, driven towards the underprivileged and marginalised sections of society. We are driven by the commitment to enable

environmental sustainability through ecological conservation and regeneration, protection and regrowth of endangered plant species, and promotion of biodiversity.

AIA's corporate social responsibility agenda is driven by the CSR Committee of the Board. It is implemented through the CSR Policy.

Composition of CSR Committee

Sr. No.	Name of Director	Designation	No. of CSR Committee meetings held during the year	No. of CSR Committee meetings attended during the year
1	Mr. Bhadresh K. Shah, Chairman	Executive	4	4
2	Mr. Sanjay S. Majmudar	Independent	4	4
3	Mr. Yashwant M. Patel	Executive	4	3
4	Mr. Rajendra S. Shah	Independent	4	3
5	Mrs. Khushali S. Solanki	Non-Independent	4	3
6	Mrs. Bhumika S. Shodhan	Non-Independent	4	3

CSR Spend

The CSR expenditure for the current year is ₹ 1,233.21 Lakhs as of 31 March, 2022. The shortfall of ₹ 12.12 Lakhs in the spending during the year under report will







be transferred to the Fund specified under Schedule VII of the Companies Act, 2013 on or before 30 September, 2022.

Year	2020-21	2021-22
CSR Expenditure (Lakhs)	₹ 1,144.19	1,233.21





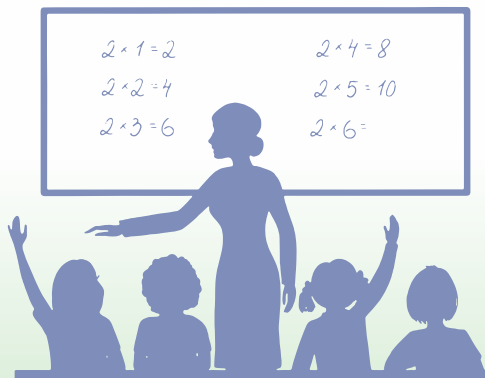
Details of CSR Amount spent against SDGs/projects for the 2020-21 & 2021-22

SDGs		2020-21 (in Lakhs)	2021-22 (in Lakhs)
	Zero Hunger	31.25	31.00
	Good Health and Well-being	317.14	362.41
	Quality Education	160.00	581.88
	Decent work and Economy Growth (Promotion of National Heritage, Art & Culture)	581.00	29.00
	Good Health and Well-being (Promotion of Sports)	38.95	-
	Life and Land (Plantation and Animal)	15.85	228.92
Total		1,144.19	1,233.21

Monitoring & Implementation

AIA's CSR activities are monitored by the CSR department. The Department provides regular progress reports to the CSR Committee of the Board. The Board of Directors include it in the Annual Report on CSR projects.

The CSR Committee monitors the implementation of the CSR Policy and Annual CSR Action Plan. For this purpose, it holds meetings as and when required. The Annual CSR Action Plan may be revised by the Board of Directors on the recommendation of CSR Committee as and when the Committee may deem it fit. The Committee reviews the policy every two years unless such revision is necessitated earlier.



CSR Activities

Our CSR activities are in line with the Company's stated Vision and Mission, focused not just around our facilities and offices, but also in other geographies based on the needs of the communities. Through our CSR activities, we commit to undertake, support, and enhance the lives of marginalised sections in one or more of the following focus areas:

Eradicating hunger, poverty and malnutrition:

- Provision of food, nutrition supplement, clothes, for the poor, children, and other deprived sections of the society
- Supporting nutrition in Anganwadi centers and building capacities of Anganwadi workers to this effect. Provision of shelter for homeless
- Promoting sanitation, making available safe drinking water

Promoting Healthcare including Preventive Healthcare

- Through awareness programmes
- Health check-ups, provision of medicine, and treatment facilities
- Providing pre-natal and post-natal healthcare facilities
- Prevention of female foeticide through awareness creation
- Programme for preventing diseases and building immunity
- Providing for mentally retarded, blind children, and socially weak people for reducing inequalities faced by the society
- Providing aids for disaster relief

Ensuring environmental sustainability and ecological balance through:

- Plantation drives in schools, villages, our manufacturing units, offices/business premises, and other areas in general
- Reviving endangered plants, promoting Agro-forestry
- Protection of flora and fauna
- Conservation of natural resources
- Maintaining the quality of soil, air, and water
- Adoption of wastelands to cultivate plants
- Promoting biodiversity
- Animal welfare and veterinary services
- Technical support and know-how for improving farming and building capacities of small farmers
- Promoting alternate energy resources
- Renewable Energy Projects

The Company carried out various lively hood enhancing vocational skills and projects.

In addition, the Company has identified the following areas for community development interventions – promotion of education, especially among children, women, the elderly, and the differently abled, promoting gender equality and empowering women.

Our CSR initiatives go beyond the above-mentioned areas. We contributed towards the CM relief fund, PM relief fund, PM Cares fund (following the outbreak of the Coronavirus-led pandemic, earlier this year) and the, Swachh Bharat Kosh.

AIA believes in the inclusive growth of the communities in which we live and work. By responding to the emerging needs at the grassroots level, our CSR initiatives stay aligned to the global sustainable development goals.





Project Gyan Deep

AIA believes that quality education is the birth right of every child. Gyan Deep is AIA's CSR Initiative which was earlier being implemented by Schools LENS, and now it has been assigned to Yuva Unstoppable in collaboration with the Zeal Educational Consultants Private Limited and Jeevantirth – a Public Charitable Trust. The target audience is the under-privileged students in Government schools of Gujarat. The objective is to help the teachers enrich their classroom teaching using innovative educational methods. The assessment for this initiative is carried out quarterly.



Case Study

GYAN DEEP – A CSR Initiative of AIA Engineering Limited

This application used is an android mobile application. The app is currently available only in Gujarati (regional) language. It was created for students to avail home learning during the pandemic. The app features a user-friendly interface that helps both the students and the teachers to use it without any difficulty.

It has the same content which is available in smart classroom solutions in our programme. It features creative animation content and worksheets that have been created by academic experts. It has a huge question bank.



Gyan Deep Project is directed towards ‘Teachers Training’ and ‘Capacity Building’ where we conduct several seminars and workshops within school premises. This involves activities like Teachers’ Survey, Teachers’ Training, Community Development, Leadership Workshop, Students’ Assessment, etc.

Goal	To improve the quality of education in Gujarati medium Government primary schools in the rural area of Ahmedabad district
Project Duration	3 academic years
Starting Year	January 2022
Number of Students Benefited	5,420
Number of Teachers Benefited	150
Number of Schools Selected	11 Government primary schools
School’s Geographical Location	Urban and rural area of Ahmedabad District – near AIA Engineering Limited’s manufacturing facilities
Target Group for Programme Beneficiary	Students, teachers, principals and parents
Standard to be Targeted	Standard 1 to 8

The first activity for the Gyan Deep programme was to provide the required hardware to these schools and configure it at each school:

One smart classroom (for Teacher’s Usage): It contained the following technology components:

- 1.1. Computer with an operating system
- 2.2. Projector
- 3.3. Speaker system
- 4.4. Software license for 3 years

One tablet classroom (for Student’s Usage): It contained the following technology components:

- 1.1. Server with an operating system
- 2.2. Tablets (40 per school)
- 3.3. Headphones and other accessories
- 4.4. Ruckus WIFI industrial router
- 5.5. Software license for 3 years



Location-wise Tree Plantation Drive

We planted approximately 1,00,000 trees at the following sites:

Chiloda Air-Force Colony, Air Force Recruitment Board, Gandhinagar, Ahmedabad; Military Cantonment Board, Ahmedabad; Municipal East Zone Park & Garden Dept. Nikol Ward Garden, Baroda Military Cantonment, and Baroda Air Force. The assessment for this initiative is carried out quarterly.





SUPPLY CHAIN MANAGEMENT

AIA is committed to responsible business practice in its operations and throughout the value chain. Our supply chain partners/vendors are based locally, and we enter into long-term contractual agreements with them. Our business performance is dependent upon the timely and reliable supply of raw material, fuels, packaging material and other consumables.

We work with 6,489 local (Gujarat Region) vendors, which covers 40% of our total vendors. AIA has initiated the process of understanding the capability of key suppliers and has already assessed 10-15 core vendors on supply parameters. Performance assessment on environmental and social criteria will be conducted with critical suppliers in 2022-23, and this will also include physical audits.

Approach to Responsible and Fair Sourcing

Responsible supply chain practices are vital to our business and a core value. We assess and audit vendors/suppliers on ESG aspects and build their capability.

When seeking out new vendors/ suppliers, to meet future demands in product sourcing, we are guided by our core values. We are committed to upholding and addressing human rights across our network of suppliers. Where possible, we buy goods and services locally. We offer training and development programmes to help local communities take advantage of employment and procurement opportunities.

We identify and fairly evaluate new suppliers. Supplier evaluation takes place in two phases:

- a. Technical
- b. Commercial

Technical specifications, detailed scope, and expectations are discussed with the supplier before moving on to commercial quotes. This enables suppliers to understand requirements before the finalisation of the commercials.

Vendor Rating and Performance

Vendors are classified based on a system-generated vendor performance rating report every quarter. Where performance improvement is required, the purchasing department interacts with the vendor and provides this feedback while agreeing on a timeline for completion of the same.

Currently, we have 10,607 live vendors, and we source engineering products such as fixtures and parts that go into the manufacturing of grinding media and other castings. Spare parts include standard, tailor-made parts, prefabricated parts, and fasteners.

- Stationery is procured from paper producers BILT and International Paper APPM whose plantations are managed sustainably.
- Key raw material comprises metal scrap and Ferrochrome. The final product comprises 60-75% recycled materials such as scrap and returns.

- Sand is procured from the glass industry which produces high silica sand or from legally mined sand sources from Ankleshwar and Surendranagar regions.
- AIA has partnered with quenching oil manufacturers to produce improved oils with longer life.
- We monitor the life and condition of the transport vehicle and check the permissions and licenses. A monthly physical audit of the vehicle is done jointly by the HR and a Company employee selected on a random basis.
- AIA partners with local vendors to develop their capacities for product packaging and machining of castings.



BOARD OF DIRECTORS

Mr. Rajendra S. Shah, Chairman

(DIN 00061922)

Mr. Shah is a Mechanical Engineer and Industrialist with experience in finance and administration. He possesses entrepreneurial insight into running an engineering business. Mr. Shah is also the Chairman and Whole-Time Director of Harsha Engineers International Limited, a Bearing Cage producer.

Mr. Bhadresh K. Shah, Managing Director & Promoter

(DIN 00058177)

Mr. Shah is a B. Tech Graduate in Metallurgy from the Indian Institute of Technology, Kanpur. He is experienced in the fields of production, finance cost and technical administration. He has over 51 years of experience in the manufacturing and design of high chrome castings that are value-added, impact, abrasion, and corrosion resistant. His primary areas of focus include manufacturing process improvements, new product development, quality, and adherence to international manufacturing standards, ensuring that the Company's products are recognised both domestically and globally.

Mr. Rajan Ramkrishna Harivallabhdas, Independent Director

(DIN 00014265)

Mr. Harivallabhdas has a Bachelor's degree in Commerce and a Master of Business Administration from the USA. He is experienced in the fields of textile, engineering and chemicals. From 1973 to 1988, he served as the Managing Director and Director of various companies owned by the Shri Ambica Group, which included textile, engineering, and chemical companies. He gained management, financial, and marketing skills in this role. He was elevated to the family's own chemical manufacturing enterprises and began managing them. From 1992 to 2010, he served as Chairman and Managing Director of HK Finechem Limited, a publicly traded chemical manufacturing Company – one of the few specialities chemical.

Mr. Yashwant M. Patel, Whole-Time Director

(DIN 02103312)

Mr. Patel has a Bachelor's degree in Science with Chemistry. He has extensive and diverse experience in production, administration, human resources, and accounting.

Mrs. Khushali S. Solanki, Non-Executive – Non-Independent Director

(DIN 07008918)

Mrs. Solanki has a Diploma in Hotel Management. She has a wide range of experience in administration, marketing, and accounting.





■ **Mrs. Bhumika S. Shodhan**, Non-Executive – Non-Independent Director

(DIN 02099400)

Mrs. Shodhan has a Diploma in Fashion Designing. She has a diverse background in production, management, and administration.

■ **Mr. Sanjay S. Majmudar**, Independent Director

(DIN 00091305)

Mr. Majmudar is a B. Com., FCA & ACS. He has worked in the areas of corporate law, direct tax law, financial advisory services, debt syndication, project finance, international structures and taxation planning, and mergers & acquisitions. He is a Chartered Accountant in practice. He has contributed papers to seminars and conferences held by the ICAI and the CA Association in Ahmedabad, and has spoken on the topic of corporate law. He is a regular speaker at MSOP programme of the Institute of Company Secretaries of India, Ahmedabad Chapter.

■ **Mr. Dileep C. Choksi**, Independent Director

(DIN 00016322)

Mr. Choksi is a B. Com, LLB, FCA and Grad. CWA. He has over 41 years of experience as a Leading Chartered Accountant, trained Lawyer, and Cost Accountant. Tax planning and structuring for domestic and international clients, including expatriates, completing collaborations and joint ventures, executive advisory and decision support, corporate restructuring with a focus on start-ups, turnaround and change management strategies, and analysing the tax impact of various instruments are some of his areas of specialisation. He was a former Deloitte India Joint Managing Partner. He founded C. C. Choksi Advisors Private Limited, whose mission is to provide comprehensive solutions for all business needs.

■ **Mrs. Janaki U. Shah**, Independent Director

(DIN 00343343)

Mrs. Shah is a Bachelor of Arts in Economics. She has over 23 years of experience in textile manufacturing and computer education.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajendra S. Shah

Chairman : Independent - Non - Executive Director

Mr. Bhadresh K. Shah

Managing Director: Executive - Promoter

Mr. Sanjay S. Majmudar

Independent Director

Mr. Yashwant M. Patel

Whole-Time Director

Mr. Dileep C. Choksi

Independent Director

Mrs. Khushali S. Solanki

Non-Executive- Non-Independent Director

Mrs. Bhumika S. Shodhan

Non-Executive- Non-Independent Director

Mr. Rajan Harivallabhdas

Independent Director

Mrs. Janaki U. Shah

Independent Director

CHIEF FINANCIAL OFFICER

Mr. Viren K. Thakkar

COMPANY SECRETARY

Mr. S. N. Jetheliya

STATUTORY AUDITORS

B S R & CO. LLP

Chartered Accountants

COST AUDITORS

Kiran J. Mehta & Co.

Cost Accountants

SECRETARIAL AUDITORS

Tushar Vora & Associates

Company Secretaries

REGISTERED OFFICE

115, GVMM Estate,
Odhav Road, Odhav,
Ahmedabad - 382 410

CORPORATE OFFICE

11-12, Sigma Corporates,
B/h. HOF Show Room,
Off. S.G. Highway,
Sindhu Bhavan Road, Bodakdev,
Ahmedabad - 380 054

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited,
C 101, 247 Park, L B S Marg,
Vikhroli (W), Mumbai - 400 083
Phone No. 022-49186270
Fax No. 022-49186060
Email : rnt.helpdesk@linkintime.co.in

BANKERS

State Bank of India
Citi Bank N.A.
JPMorgan Chase Bank N.A.
HSBC Bank Limited
AXIS Bank Limited
IDBI Bank Limited
HDFC Bank Limited





AIA Engineering Limited

If undelivered, please return to:Corporate Office:

11-12, Sigma Corporates, B/h. HOF Show Room,
Off. S.G. Highway, Sindhu Bhavan Road, Bodakdev,
Ahmedabad - 380 054

Tel.: +91-79-66047800, Fax: +91-79-29900194

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