

**AIA ENGINEERING LIMITED**

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

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

(₹ in lakhs)

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

**Notes :**

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

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

Place: Ahmedabad  
Date: 2 November 2020

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

# AIA ENGINEERING LIMITED

CIN : L29259GJ1991PLC015182

## Annexure - I : Standalone Statement of Assets and Liabilities

(₹ in lakhs)

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

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**Annexure - II : Standalone Statement of Cash Flows**

(₹ in lakhs)

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

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

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

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

(₹ in lakhs)

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

**Notes:**

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

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

#### NOTES TO UNAUDITED CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

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

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

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

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

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

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

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

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

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

**Place:** Ahmedabad  
**Date:** 2 November 2020

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

**AIA ENGINEERING LIMITED**

CIN : L29259GJ1991PLC015182

**Annexure - I : Consolidated Statement of Assets and Liabilities**

(₹ in lakhs)

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

**AIA ENGINEERING LIMITED**

CIN : L29259GJ1991PLC015182

**Annexure - II : Consolidated Statement of Cash Flows**

(₹ in lakhs)

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

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

**Note 1:**

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