



AIA Engineering Limited

October 31, 2018

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Script Code: 532683

To,
The Manager (Listing),
National Stock Exchange of India Limited
“Exchange Plaza”, C-1 , Block – G,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Script Code: AIAENG

Dear Sir/Madam,

Sub: Presentation on the Unaudited Financial Results for the quarter /half year ended September 30, 2018

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a presentation on the Unaudited Financial Results of the Company for the quarter/half year ended September 30, 2018 to be made to Investor/Analyst.

The aforesaid presentation is also being hosted on the website of the Company, www.aiaengineering.com in accordance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on record.

Thanking you.

Yours faithfully,
For AIA Engineering Limited

S. N. Jetheliya
Company Secretary
Encl: a/a.



CIN : L29259GJ1991PLC015182

An ISO 9001 Certified Company

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AIA Engineering Ltd.



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q2 FY 2018-19



Disclaimer/Safe Harbor

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1. Financial Snap Shot – Consolidated



(Rs. In lacs)

AIA Engineering Ltd.

Particulars	F.Y. 2018-19			F.Y. 2017-18					F.Y. 2017-18
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	
Production (MT)	69,843	72,262	142,105	56,744	56,256	113,000	55,516	61,298	229,814
Sales (MT)	64,211	61,695	125,906	56,706	54,252	110,958	51,392	66,374	228,724
1. INCOME						-			
a) Sales (without excise)	69,094	71,527	140,622	55,484	54,294	109,778	55,639	72,057	237,475
b) Other operating income (export benefits)	2,429	2,534	4,962	1,513	1,620	3,133	1,577	2,328	7,039
Total income from operations	71,523	74,061	145,584	56,997	55,915	112,911	57,217	74,385	244,513
c) Other non operating income	2,017	4,820	6,836	1,850	2,169	4,019	3,212	4,951	12,181
Total Income	73,539	78,881	152,420	58,847	58,083	116,930	60,429	79,336	256,695
2. EXPENDITURE						-			
a) Raw material consumed	33,438	35,438	68,875	24,212	22,798	47,010	22,430	29,279	98,719
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(4,785)	(4,669)	(9,454)	(1,277)	(1,257)	(2,533)	(1,821)	2,071	(2,282)
c) Employee benefit expenses	3,083	3,097	6,180	2,738	2,848	5,586	2,883	2,846	11,316
d) Other expenses	24,229	25,415	49,644	18,338	20,285	38,623	21,037	23,531	83,191
3. EBIDTA	17,575	19,601	37,175	14,835	13,409	28,244	15,899	21,608	65,751
4. EBIDTA (Percentage on income from operation excluding excise)	24.57%	26.47%	25.52%	26.03%	23.98%	25.00%	27.79%	29.05%	26.89%
5. Depreciation and amortising expenses	1,655	1,805	3,460	1,776	1,596	3,371	1,789	1,398	6,558
6. Finance cost	183	170	354	140	158	299	109	285	693
7. PBT	15,737	17,625	33,362	12,919	11,655	24,574	14,001	19,925	58,501
8. Tax	5,255	5,474	10,730	4,049	2,991	7,040	2,348	4,750	14,139
9. PAT (after Minority Interest)	10,505	12,102	22,607	8,850	8,651	17,501	11,617	15,218	44,335

2. Break-up of Certain Key Items – Consolidated



AIA Engineering Ltd.

(Rs. In lacs)

Particulars	F.Y. 2018-19			F.Y. 2017-18					
	Q1	Q2	Half Year	Q1	Q2	Half Year	Q3	Q4	2017-18
1. Other Operating Income									
a) Export benefits & others	2,429	2,534	4,962	1,513	1,620	3,133	1,577	2,328	7,038
2. Other income									
a) Dividend / profit on sale of MF / Interest income	284	579	863	127	203	330	252	165	747
b) Foreign exchange gain	172	2,570	2,742	358	303	661	1,584	1,399	3,644
c) Others (including fair value of Investments)	1,561	1,671	3,232	1,365	1,663	3,028	1,376	3,386	7,790
Total of Other Income	2,017	4,820	6,836	1,850	2,169	4,019	3,212	4,951	12,181

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	F.Y. 2018-19			F.Y. 2017-18					
	Q1	Q2	Half Year	Q1	Q2	Half Year	Q3	Q4	2017-18
1. Inventories									
a) Raw material – Amount	10,793	13,079	13,079	11,006	9,974	9,974	9,225	7,367	7,367
No. of days	27	32	32	38	37	37	36	28	28
b) WIP & FG – Amount	43,772	48,441	48,441	37,982	39,238	39,238	41,059	38,987	38,987
No. of days	58	62	62	62	64	64	63	57	57
2. Receivables – Amount	63,495	71,408	71,408	51,417	49,466	49,466	49,950	60,136	60,136
No. of days	84	92	92	84	78	78	80	84	84

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2018-19			F.Y. 2017-18					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2017-18
i) Mining	39,726	40,007	79,733	34,659	33,803	68,462	32,346	37,591	138,398
ii) Others	24,485	21,688	46,173	22,047	20,449	42,496	19,046	28,784	90,326
Total	64,211	61,695	125,906	56,706	54,252	110,958	51,392	66,375	228,724

5. Business Update

- a) Post entering into technical collaboration agreement with EE Mill Solutions LLP, USA (EEMS), the company has started market development activity relating to the mining liners based on the technical know-how and inputs obtained from EEMS and the initial results are quite encouraging.
- b) EEMS has special knowledge of optimizing energy efficiency and output of grinding equipment (“Know How”) like AG/SAG/Ball Mills in wet & dry grinding industries through re-designing of mill internals viz. Head & shell liners, grate liners, pulp lifters (“the products”).
- c) The company has also firmed up plans for setting up of a dedicated plant for manufacturing the above products. Till the dedicated plant is set up the above products are being manufactured in the existing plants of the company.

6. CAPEX/PROJECTS IN PIPELINE

- The Present Installed Capacity 3,40,000 TPA.

Kerala GIDC Projects:

- GIDC Kerala, Phase-II Greenfield expected to be commissioned in two phases. First phase will add 50,000 TPA capacity in F.Y. 2018-19 while Second phase will add another 50,000 TPA capacity in F.Y. 2019-20; taking installed capacity to 4,40,000 TPA.

Mining Liner Projects:

- The company has planned capex of Rs. 250 crore for manufacturing mining mill optimization products which shall be commissioned in F.Y. 2019-2020.
- Further, the company has planned to set up manufacturing plant of Mining Liner with estimated capex of Rs. 250 crore which will add liner capacity of 50,000 MT per year & to be commissioned in F.Y. 2019-2020.

6. Continued.....

- To hedge power cost, we have bought & installed 2 WTGs of 2.1 MW each at cost of Rs. 26 crore. Based on performance review of these 2 WTGS, we have ordered additional 6 WTGs of 2.1 MW each amounting to Rs.78 crore.
- Capex incurred till Half Year-FY 2019: Rs. 68 crores.
- Total capital outlay for Grinding Media, Mill Liners and Wind Turbine will be Rs. 800 crore in which Rs. 336 crore during F.Y. 2018-19 & remaining during F.Y. 2019-20.

7. Strategy

- a. The opportunity landscape over medium to long term horizon remaining unchanged with the total addressable annual mining replacement market estimated at around 3 million TPA coupled with a very low penetration of high chrome consumable wear parts in mining. Bulk of future growth is expected to come from outside India and that too mainly in mining segment.
- b. Apart from significant cost reduction due to much lower wear rates, high chrome solutions also bring about benefits like improved process efficiencies, reduction in other consumables (other than high chrome consumables), improved environmental benefits, etc. which are other key growth drivers.
- c. Incremental volume growth in Mining estimated to be in the range of 40,000-50,000 MT per year from FY 2018-19 onwards.

8. Key Highlights/Developments

- A. In Q2/H1 there is an improvement in mining volumes. Further, the volume growth in H2 in mining segment is expected to be higher as compared to H1.

- B. Order book as at 1st October 2018: Rs. 655 Crores.

- C. Outstanding foreign currency forward contracts (sales contracts) as of 30th September-2018: US\$ 67.00 MIO, ZAR 66.00 MIO & option contracts of US\$ 6.00 MIO during October to March.