



AIA Engineering Ltd.



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q2 FY 2021-22

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AIA Engineering Ltd.

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1. Financial Snap Shot – Consolidated

(Rs. In lacs)



AIA Engineering Ltd.

Particulars	F.Y. 2021-22			F.Y. 2020-21					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	F.Y. 2020-21
Production (MT)	64,893	67,542	132,435	49,922	76,936	126,858	73,680	62,431	262,969
Sales (MT)	60,318	69,064	129,382	53,177	68,575	121,752	65,173	79,377	266,302
1. INCOME									
a) Sales	73,032	87,111	160,143	56,142	71,989	128,131	68,714	85,033	281,878
b) Other operating income (export benefits)	962	1,406	2,368	1,893	2,243	4,136	1,151	984	6,271
Total income from operations	73,994	88,517	162,511	58,035	74,232	132,267	69,865	86,017	288,149
c) Other non operating income	3,952	3,572	7,524	7,476	2,477	9,953	4,943	2,324	17,220
Total Income	77,946	92,090	170,036	65,510	76,709	142,219	74,808	88,341	305,369
2. EXPENDITURE									
a) Raw material consumed	35,786	42,895	78,681	20,848	30,965	51,813	31,291	30,401	113,505
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(7,508)	(3,497)	(11,005)	2,768	(4,534)	(1,766)	(7,455)	9,977	755
c) Employee benefit expenses	3,385	3,424	6,809	3,316	3,337	6,653	3,443	3,255	13,350
d) Other expenses	25,142	29,503	54,645	18,755	25,436	44,191	25,361	25,462	95,014
3. EBIDTA	21,142	19,765	40,907	19,823	21,505	41,328	22,169	19,247	82,744
4. EBIDTA (Percentage on income from operation)	28.57%	22.33%	25.17%	34.16%	28.97%	31.24%	31.73%	22.38%	28.72%
5. Depreciation and amortising expenses	2,417	2,175	4,592	2,511	2,332	4,843	2,304	2,204	9,350
6. Finance cost	74	81	155	141	125	266	95	69	429
7. Exceptional items	-	-	-	-	369	369	(369)	-	-
8. PBT	18,651	17,509	36,160	17,172	18,679	35,851	20,139	16,975	72,965
9. Tax	3,742	3,710	7,452	4,239	4,334	8,573	4,159	3,662	16,394
10. PAT (after Minority Interest)	14,933	13,759	28,692	12,927	14,397	27,324	15,912	13,377	56,612

2. Break-up of Certain Key Items – Consolidated



AIA Engineering Ltd.

(Rs. In lacs)

Particulars	F.Y. 2021-22			F.Y. 2020-21					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2020-21
1. Other Operating Income									
a) Export benefits & others	962	1,406	2,368	1,893	2,243	4,136	1,151	984	6,271
2. Other income									
a) Dividend / profit on sale of MF / Interest income / Fair value of investments/others	2,272	2,857	5,129	3,675	2,027	5,702	2,258	2,109	10,070
b) Foreign exchange gain	1,680	715	2,395	3,801	450	4,251	2,685	215	7,150
Total of Other Income	3,952	3,572	7,524	7,476	2,477	9,953	4,943	2,324	17,220

3. Working Capital – Consolidated



AIA Engineering Ltd.

(Rs. In lacs)

Particulars	F.Y. 2021-22			F.Y. 2020-21					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2020-21
1. Inventories									
a) Raw material – Amount	11,913	15,272	15,272	15,010	10,864	10,864	14,491	8,213	8,213
No. of days	23	25	25	57	39	39	46	30	30
b) WIP & FG – Amount	66,184	69,023	69,023	55,686	59,667	59,667	68,364	58,146	58,146
No. of days	78	72	72	92	83	83	87	75	75
2. Receivables – Amount	61,296	64,336	64,336	48,584	50,183	50,183	51,944	64,097	64,097
No. of days	78	73	73	92	82	82	81	84	84

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2021-22			F.Y. 2020-21					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2020-21
i) Mining	36,967	48,333	85,300	41,055	46,750	87,805	43,397	49,642	180,844
ii) Others	23,351	20,731	44,082	12,122	21,825	33,947	21,776	29,735	85,458
Total	60,318	69,064	129,382	53,177	68,575	121,752	65,173	79,377	266,302

5. Business Update

- a) Company's business continues to face uncertainty in terms of outlook on account of the continued impact of Covid in most parts of the world. Our marketing efforts continue to be hampered by restricted ability of our sales team to travel.
- b) 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.
- c) Canada :-During the previous year, the Canada Border Service Agency ('CBSA') had initiated investigations with respect to alleged dumping and subsidizing of certain grinding media from India into Canada. Based on the applicable rules and regulations, the CBSA had levied an interim duty of 32.2% w.e.f. 1st May 2021 and subsequently reduced such duty to 22.0% upon completion of their investigation. It was subject to decision of the Canadian International Trade Tribunal ('CITT') with respect to determination of the injury/damage.

5. Business Update

d) South Africa Customs Duty :-The application was lodged for increase in General rate of custom duty for import of High Chrome Grinding Media in South Africa by local manufacturer. Based on the same 15% duty is imposed on all imports in South Africa from all countries except European Union and UK and under FTAs as a part of their internal policy reforms.

e) Sharp increase in Raw Materials & Freight Charges :- In line with sharp run-up in commodity prices generally, we have seen our input costs & freight go up significantly which is reflected in our Cost of Goods sold for the quarter. Company will make efforts to pass-through these costs over next few quarters.

f) Capex: For F.Y. 2021-2022, Company estimates capex of INR 200 Cr which includes Mill Lining Project and 5.4 MW wind power in addition to general capex.

6. CAPEX/PROJECTS IN PIPELINE

1. The Present Installed Capacity 3,90,000 TPA.

2. Mining Liner Projects:
The company is in midst of setting up a manufacturing plant of Mill Liners with a capacity of 50,000 Mt with an estimated capex of Rs. 250 Crore and it is expected to be commissioned in Q4 of F.Y. 2021-2022.

Post this expansion, total installed capacity will be 4,40,000 TPA.

3. Kerala GIDC Projects:
The company has paused its last phase of Grinding Media expansion of 50,000 Mt at this time.

4. Capex incurred till Half Year : Rs. 88 Crores

7. Key Highlights/Developments

- A. Order book as at 1st October 2021: Rs. 772 Crores.

- B. Outstanding foreign currency forward contracts (sales contract, as on date i.e. 27/10/2021): US\$ 40.20 MIO, ZAR 8.00 MIO, AUD 12.75 MIO.