



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q1 FY 2016-17

1. Financial Snap Shot – Consolidated

(Rs. In lacs)

Particulars	2016-17	FOR THE YEAR	2015-16	FY
	Q1 (As per IND AS)	2016.17 (AS per IND AS)	Q1 (As per IND AS)	2015-16 (As per GAAP)
Production (MT)	54272	54272	43713	189449
Sales (MT)	47572	47572	45172	185844
1. INCOME				
a) Income from operations	48465	48465	53566	205316
b) Other operating income	1580	1580	946	4524
Total income from operations	50045	50045	54512	209839
c) Other non operating income	2578	2578	2807	5913
Total Income	52623	52623	57319	215752
2. EXPENDITURE				
a) Raw material consumed	19431	19431	19400	67258
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(3689)	3689	1182	4239
c) Employee benefit expenses	2567	2567	2549	10220
d) Other expenses	17039	17039	16554	66986
3. EBIDTA	17275	17275	17634	67049
4. EBIDTA (Percentage to total operating income)	34.52%	34.52%	32.35%	31.95%
5. Depreciation and amortising expenses	1749	1749	1655	6699
6. Finance cost	119	119	114	487
7. PBT	15407	15407	15865	59863
8. Tax	4503	4503	4840	17450
9. PAT (after Minority Interest)	10899	10899	11021	42422

2. Break-up of Certain Key Items – Consolidated

(Rs. In lacs)

Particulars	2016-17	FOR THE YEAR	2015-16	FY
	Q1 (As per IND AS)	2016.17 (As per IND AS)	Q1 (As per IND AS)	2015-16 (As per GAAP)
1. Other Operating Income				
a) Export benefits	1580	1580	946	4524
2. Other income				
a) Dividend / profit on sale of MF / Interest income	229	229	309	2998
b) Foreign exchange gain	0	0	1270	2621
c) Others	2349	2349	1228	294
Total	2578	2578	2807	5913

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2016-17	2015-16
	Q1 (As per IND AS)	Q1 (As per IND AS)
1. Inventories		
a) Raw material – Amount	8452	6685
No. of days	38 days	39 days
b) WIP & FG – Amount	29929	29194
No. of days	58days	52days
2. Receivables – Amount	39283	44393
No. of days	76 days	78 days

4. Segmental Sales (in MT) – Consolidated

Particulars	2016-17	FOR THE YEAR	2015-16				FY
	Q1	2016.17	Q4	Q3	Q2	Q1	2015-16
i) Mining	29187	29187	28594	24094	24347	23649	100684
ii) Others	18385	18385	24908	20144	18529	21523	85104
Total	47572	47572	53502	44238	42876	45172	185788

5. CAPEX/PROJECTS IN PIPELINE

- a. GIDC Kerala Greenfield Phase-I and Trichy Brownfield expansion effectively commissioned in Q-3 FY 2016. Present Installed Capacity 3,40,000 TPA.
- b. GIDC Kerala, Phase-II Greenfield expected to be commissioned by October, 2017 – estimated capacity addition in Phase-II: 1,00,000 TPA making total installed capacity up to 4,40,000 TPA; by October, 2017 for total Capex of Rs. 350 crores.
- c. Capex incurred during Q1-FY2017: Rs. 16 crores.
- d. Capex estimated to be incurred in FY 2016-17: Rs.126 crores.

6. 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. Targeted incremental volume growth over the 3 year horizon around 1,20,000 MT

6. Key Highlights/Developments

- a) FY 2016 sales volumes remained flat primarily attributable to certain strategic and conscious decisions viz. restricting sales to Ukraine; reduction in SA market volume owing to currency uncertainties; and volume reduction owing to closure of one particular iron ore mine in Brazil. However, volumes expected to pick-up from Q3 FY-2017.
- b) Developmental activities of new mines in several key locations in full swing.
- c) Order book as at 1st July 2016: Rs. 696 crores
- d) Outstanding foreign currency forward contracts (sales contracts) as of 30th June-2016: US \$ 30.05 MIO, EURO 8.25 MIO, ZAR 10.1 MIO, CAD 6.83MIO.

6. Key Highlights/Developments contd....

- e) Cement sector outlook continues to remain flat with no near term signs of recovery visible either in India or outside India.
- f) The supplies of high chrome mill internals to Indian thermal power plants, although flat as of now, are expected to pick up from this fiscal, but the growth rate will be pegged to the growth rate achieved by thermal power segment in India.
- g) For the time being, AIA has a limited presence in China limited to the VSMS high chrome mill internal parts.