



# **AIA ENGINEERING LIMITED**

## **PRESENTATION TO INVESTORS**

### **EARNINGS : Q4 FY 2015-16**

# 1. Financial Snap Shot – Consolidated

(Rs. In lacs)

Particulars	2015-16				FOR THE YEAR	2014-15				FY
	Q4	Q3	Q2	Q1	2015.16	Q4	Q3	Q2	Q1	2014-15
Production (MT)	<b>46399</b>	50700	48637	43713	<b>189449</b>	51324	50648	51933	46310	<b>200215</b>
Sales (MT)	<b>53502</b>	44238	42876	45228	<b>185844</b>	50626	44211	49100	42719	<b>186656</b>
<b>1. INCOME</b>										
a) Income from operations	<b>58085</b>	48065	47600	51566	<b>205316</b>	58727	49293	55361	47394	<b>210775</b>
b) Other operating income	<b>1112</b>	1242	1022	1148	<b>4524</b>	1754	2138	1879	1818	<b>7589</b>
<b>Total income from operations</b>	<b>59197</b>	<b>49307</b>	<b>48622</b>	<b>52713</b>	<b>209839</b>	<b>60481</b>	<b>51431</b>	<b>57240</b>	<b>49212</b>	<b>218364</b>
c) Other non operating income	<b>2144</b>	699	1197	1873	<b>5913</b>	1702	2330	2006	2283	<b>8321</b>
<b>Total Income</b>	<b>61341</b>	<b>50006</b>	<b>49610</b>	<b>54795</b>	<b>215752</b>	<b>62182</b>	<b>53761</b>	<b>59247</b>	<b>51495</b>	<b>226685</b>
<b>2. EXPENDITURE</b>										
a) Raw material consumed	<b>15174</b>	16905	17780	17399	<b>67258</b>	21093	21354	22966	20650	<b>86063</b>
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	<b>7158</b>	(2258)	(1843)	1182	<b>4239</b>	645	(7003)	(473)	(3072)	<b>(9903)</b>
c) Employee benefit expenses	<b>2532</b>	2650	2494	2544	<b>10220</b>	2757	2401	2323	2330	<b>9811</b>
d) Other expenses	<b>17199</b>	17154	15640	16993	<b>66986</b>	20237	19456	17640	16578	<b>73911</b>
<b>3. EBIDTA</b>	<b>19277</b>	<b>15555</b>	<b>15541</b>	<b>16676</b>	<b>67049</b>	<b>17450</b>	<b>17553</b>	<b>16790</b>	<b>15009</b>	<b>66803</b>
<b>4. EBIDTA (Percentage to total operating income)</b>	<b>32.56%</b>	<b>31.55%</b>	<b>31.96%</b>	<b>31.64%</b>	<b>31.95%</b>	<b>28.85%</b>	<b>34.13%</b>	<b>29.33%</b>	<b>30.50%</b>	<b>30.59%</b>
<b>5. Depreciation and amortising expenses</b>	<b>1809</b>	1509	1688	1693	<b>6699</b>	1804	1811	2177	1183	<b>6975</b>
<b>6. Finance cost</b>	<b>202</b>	76	95	114	<b>487</b>	165	91	108	30	<b>394</b>
<b>7. PBT</b>	<b>17266</b>	13970	13758	14869	<b>59863</b>	15481	15651	14505	13797	<b>59434</b>
<b>8. Tax</b>	<b>3833</b>	4629	4405	4583	<b>17450</b>	4253	4149	3677	4262	<b>16341</b>
<b>9. PAT (after Minority Interest)</b>	<b>13456</b>	9335	9348	10283	<b>42422</b>	11269	11504	10807	9514	<b>43094</b>

## 2. Break-up of Certain Key Items – Consolidated

(Rs. In lacs)

Particulars	2015-16				FOR THE YEAR	2014-15				FY
	Q4	Q3	Q2	Q1	2015.16	Q4	Q3	Q2	Q1	2014-15
<b>1. Other Operating Income</b>										
a) Export benefits	1112	1242	1022	1148	4524	1754	2138	1879	1818	7589
<b>2. Other income</b>										
a) Dividend / profit on sale of MF / Interest income	722	455	1095	726	2998	839	497	1138	812	3286
b) Foreign exchange gain	1325	203	36	1057	2621	798	1783	915	1351	4847
c) Others	97	41	66	90	294	65	50	(47)	120	188
<b>Total</b>	<b>2144</b>	<b>699</b>	<b>1197</b>	<b>1873</b>	<b>5913</b>	<b>1702</b>	<b>2330</b>	<b>2006</b>	<b>2283</b>	<b>8321</b>

### 3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2015-16				2014-15			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>1. Inventories</b>								
a) Raw material – Amount	5873	6947	6129	6685	8539	8248	6597	9413
No. of days	33 days	37 days	34 days	39 days	36 days	35days	29 days	32 days
b) WIP & FG – Amount	25930	33228	30882	29194	30410	31190	24260	23712
No. of days	46 days	61 days	56 days	52days	53 days	55 days	42 days	48 days
<b>2. Receivables – Amount</b>	43122	35181	28929	44393	39493	35607	40694	34885
No. of days	77 days	65 days	52 days	78 days	68 days	63days	71 days	67 days

#### 4. Segmental Sales (in MT) – Consolidated

Particulars	2015-16				FOR THE YEAR	2014-15				FY
	Q4	Q3	Q2	Q1	2015.16	Q4	Q3	Q2	Q1	2014-15
i) Mining	28594	24094	24347	23649	100684	25326	24355	33742	22633	106056
ii) Others	24908	20144	18529	21523	85104	25300	19856	16327	19117	80600
<b>Total</b>	<b>53502</b>	<b>44238</b>	<b>42876</b>	<b>45172</b>	<b>185788</b>	<b>50626</b>	<b>44211</b>	<b>50069</b>	<b>41750</b>	<b>186656</b>

## **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 FY 2016 : Rs. 178 crores.
- d. Capex estimated to be incurred in FY 2016-17: Rs.150 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 next 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.
- b) Developmental activities of new mines in several key locations in full swing.
- c) Order book as at 1<sup>st</sup> April 2016: Rs. 534 crores
- d) Outstanding foreign currency forward contracts (sales contracts) as of 31<sup>st</sup> March-2016: US \$ 26.25 MIO, EURO 4.75 MIO.



## 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.