



AIA Engineering Limited

February 8, 2019

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 /nine months ended
December 31, 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/nine months ended December 31, 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 : Q3 FY 2018-19



Disclaimer/Safe Harbor

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(Rs. In lacs)

1. Financial Snap Shot – Consolidated

Particulars	F.Y. 2018-19				F.Y. 2017-18					F.Y. 2017-18
	Q1	Q2	Q3	Up to Dec-18	Q1	Q2	Q3	Up to Dec-17	Q4	
Production (MT)	69,843	72,262	74,619	216,724	56,744	56,256	55,516	168,516	61,298	229,814
Sales (MT)	64,211	61,695	59,235	185,141	56,706	54,252	51,392	162,350	66,374	228,724
1. INCOME										
a) Sales (without excise)	69,094	71,527	70,021	210,643	55,484	54,294	55,639	165,417	72,057	237,475
b) Other operating income (export benefits)	2,429	2,534	2,623	7,585	1,513	1,620	1,577	4,710	2,328	7,039
Total income from operations	71,523	74,061	72,644	218,228	56,997	55,915	57,217	170,128	74,385	244,513
c) Other non operating income	2,017	4,820	2,892	9,729	1,850	2,169	3,212	7,231	4,951	12,181
Total Income	73,539	78,881	75,536	227,956	58,847	58,083	60,429	177,359	79,336	256,695
2. EXPENDITURE										
a) Raw material consumed	33,438	35,438	36,616	105,491	24,784	23,042	22,912	70,738	27,981	98,719
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(4,785)	(4,669)	(11,270)	(20,724)	(1,277)	(1,257)	(1,821)	(4,354)	2,071	(2,282)
c) Employee benefit expenses	3,083	3,097	3,226	9,406	2,738	2,848	2,883	8,470	2,846	11,316
d) Other expenses	24,229	25,415	27,549	77,193	17,766	20,041	20,555	58,363	24,829	83,191
3. EBIDTA	17,575	19,601	19,416	56,591	14,835	13,409	15,899	44,143	21,608	65,751
4. EBIDTA (Percentage on income from operation excluding excise)	24.57%	26.47%	26.73%	25.93%	26.03%	23.98%	27.79%	25.94%	29.05%	26.89%
5. Depreciation and amortising expenses	1,655	1,805	2,159	5,619	1,776	1,596	1,789	5,160	1,398	6,558
6. Finance cost	183	170	203	557	140	158	109	407	285	693
7. PBT	15,737	17,625	17,053	50,415	12,919	11,655	14,001	38,575	19,925	58,501
8. Tax	5,255	5,474	4,131	14,861	4,049	2,991	2,348	9,389	4,750	14,139
9. PAT (after Minority Interest)	10,505	12,102	12,896	35,503	8,850	8,651	11,617	29,118	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	Q3	Up to Dec-18	Q1	Q2	Q3	Up to Dec-17	Q4	2017-18
1. Other Operating Income										
a) Export benefits & others	2,429	2,534	2,623	7,586	1,513	1,620	1,577	4,710	2,328	7,038
2. Other income										
a) Dividend / profit on sale of MF / Interest income	284	579	211	1,074	127	203	252	582	165	747
b) Foreign exchange gain	172	2,570	417	3,159	358	303	1,584	2,245	1,399	3,644
c) Others (including fair value of Investments)	1,561	1,671	2,265	5,497	1,365	1,663	1,376	4,404	3,386	7,790
Total of Other Income	2,017	4,820	2,892	9,729	1,850	2,169	3,212	7,231	4,951	12,181

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	F.Y. 2018-19				F.Y. 2017-18					
	Q1	Q2	Q3	Up to Dec-18	Q1	Q2	Q3	Up to Dec-17	Q4	2017-18
1. Inventories										
a) Raw material – Amount	10,793	13,079	18,285	18,285	11,006	9,974	9,225	9,225	7,367	7,367
No. of days	27	32	43	43	38	37	36	36	28	28
b) WIP & FG – Amount	43,772	48,441	59,711	59,711	37,982	39,238	41,059	41,059	38,987	38,987
No. of days	58	62	78	78	62	64	63	63	57	57
2. Receivables – Amount	63,495	71,408	54,417	54,417	51,417	49,466	49,950	49,950	60,136	60,136
No. of days	84	92	71	71	84	78	80	80	84	84

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2018-19				F.Y. 2017-18					
	Q1	Q2	Q3	Up to Dec-18	Q1	Q2	Q3	Up to Dec-17	Q4	2017-18
i) Mining	39,726	40,007	40,084	119,817	34,659	33,803	32,346	1,00,808	37,591	138,398
ii) Others	24,485	21,688	19,151	65,324	22,047	20,449	19,046	61,542	28,784	90,326
Total	64,211	61,695	59,235	185,141	56,706	54,252	51,392	1,62,350	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. The First phase will add 50,000 TPA capacity which we expect to be commissioned by June-2019 while the Second phase will add another 50,000 TPA capacity which is expected to be commissioned in twelve to fifteen months thereafter; taking installed capacity to 4,40,000 TPA.

Mining Liner Projects:

- 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 4 WTGs of 2.1 MW each at cost of Rs. 52 crore. Based on performance review of these four WTGS, we have ordered additional 4 WTGs of 2.1 MW each amounting to Rs.52 crore.
- Capex incurred till nine months-FY 2019: Rs. 156 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. Order book as at 1st January 2019: Rs. 668 Crores.

- B. Outstanding foreign currency forward contracts (sales contracts) as of 31st December-2018: US\$ 36.25 MIO, ZAR 41.00 MIO & option contracts of US\$ 6.00 MIO during October to March.