AIA Engineering Ltd.

15th November, 2016

To,
The Manager (Listing),
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
The Manager (Listing),
National Stock Exchange of India Limited
"Exchange Plaza", C-1 , Block - G,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

Sub: Presentation on the Unaudited Financial Results for the quarter/half year ended 30th September, 2016
Ref: Script Code: 532683 & AIAENG

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 30th September, 2016 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

AIA ENGINEERING LTD. AHMEDABAD 382410

S. N. Jetheliya
Company Secretary

Encl: a/a.

AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q2 FY 2016-17

1. Financial Snap Shot – Consolidated

(Rs. In lacs)

Particulars	2016-17		HALF YEAR ENDING on Sept-16	2015-16		HALF YEAR ENDING on Sept-15	FY
	Q2 (As per IND AS)	Q1 (As per IND AS)	2016.17 (AS per IND AS)	Q2 (As per IND AS)	Q1 (As per IND AS)	2015.16 (AS per IND AS)	2015-16 (As per GAAP)
Production (MT)	59280	54272	**113552**	48637	43713	**92350**	**189449**
Sales (MT)	51969	47572	**99541**	42876	45172	**88048**	**185844**
1. INCOME							
a) Income from operations	53419	48464	**101883**	49635	53566	**103201**	**205316**
b) Other operating income	1467	1113	**2580**	1224	946	**2170**	**4524**
Total income from operations	**54886**	**49577**	**104463**	**50859**	**54512**	**105371**	**209840**
c) Other non operating income	2683	3045	**5728**	1977	2807	**4784**	**5913**
Total Income	57569	52622	**110191**	**52836**	**57319**	**110155**	**215753**
2. EXPENDITURE							
a) Raw material consumed	19926	17743	**37668**	17780	17399	**35179**	**67258**
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(5263)	(3689)	**(8952)**	(1843)	1182	**(661)**	**4239**
c) Excise Duty	1941	1689	**3630**	2035	2000	**4035**	
d) Employee benefit expenses	2672	2567	**5239**	2498	2549	**5046**	**10220**
e) Other expenses	19666	17039	**36705**	16078	16554	**32632**	**66986**
3. EBIDTA	**18628**	**17274**	**35902**	**16288**	**17634**	**33922**	**67050**
4. EBIDTA (Percentage to total operating income)	33.94%	34.84%	**34.37%**	32.03%	32.35%	**32.19%**	**31.95%**
5. Depreciation and amortising expenses	1705	1749	**3454**	1649	1655	**3304**	**6699**
6. Finance cost	102	119	**221**	95	114	**209**	**487**
7. PBT	16821	15407	**32228**	14544	15865	**30409**	**59864**
8. Tax	5577	4503	**10080**	4619	4840	**9459**	**17450**
9. PAT (after Minority Interest)	11235	10899	**22135**	9921	11021	**20942**	**42422**

2. Break-up of Certain Key Items – Consolidated

(Rs. In lacs)

Particulars	2016-17		HALF YEAR ENDING on Sept-16	2015-16		HALF YEAR ENDING on Sept-15	FY
	Q2 (As per IND AS)	Q1 (As per IND AS)	2016.17 (As per IND AS)	Q2 (As per IND AS)	Q1 (As per IND AS)	2015.16 (AS per IND AS)	2015-16 (As per GAAP)
1. Other Operating Income							
a) Export benefits	1467	1113	2580	1224	946	2170	4524
2. Other income							
a)Dividend / profit on sale of MF / Interest income	234	229	463	1086	309	1395	2998
b) Foreign exchange gain	641	467	1108	118	1270	1388	2621
c) Others	1808	2349	4157	774	1228	2001	294
Total	**2683**	**3045**	**5728**	**1977**	**2807**	**4784**	**5913**

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2016-17			2015-16			FY
	Q2 (As per IND AS)	Q1 (As per IND AS)	HALF YEAR ENDING on Sept-16	Q2 (As per IND AS)	Q1 (As per IND AS)	HALF YEAR ENDING on Sept-15	2015-16 (As per GAAP)
1. Inventories							
a) **Raw material** – Amount	7684	8452	7684	6129	6685	6129	5873
No. of days	35	38	35	34	39	34	33
b) WIP & FG – Amount	35061	29929	35061	30882	29194	30882	25930
No. of days	62	58	62	54	52	54	46
2. Receivables – Amount	34913	39283	34913	28929	44393	28929	43122
No. of days	62	76	62	50	78	50	77

4. Segmental Sales (in MT) – Consolidated

Particulars	2016-17			2015-16			FY
	HALF YEAR ENDING on Sept-16	Q2	Q1	HALF YEAR ENDING on Sept-15	Q2	Q1	2015-16
i) Mining	61045	31858	29187	47999	24350	23649	100684
ii) Others	38496	20111	18385	40049	18526	21523	85104
Total	**99541**	**51969**	**47572**	**88048**	**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 Q2-FY2017: Rs. 19.5 crores.

d) Capex estimated to be incurred in FY 2016-17: Rs.164 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 October 2016: Rs. 844 crores

D. Outstanding foreign currency forward contracts (sales contracts) as of 30th September-2016: US $ 54.25 MIO, EURO 5.5 MIO, ZAR 125.5 MIO, CAD 3.5 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.