



AIA Engineering Limited

November 10, 2025

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: Transcript of the Investors' Conference Call held on November 7, 2025

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Conference Call held between the Company and Investors on Friday, November 7, 2025 to discuss the Unaudited Financial Results and performance of the Company for the Quarter/half Year ended 30th September, 2025.

The aforesaid transcript 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.: As above

CIN : L29259GJ1991PLC015182

An ISO 9001 Certified Company

Corporate Office : 11-12, Sigma Corporates, B/h. HOF Showroom, Off S. G. Highway, Sindhu Bhavan Road, Bodakdev, Ahmedabad 380 054. Gujarat, INDIA. Ph.: +91-79-66047800 Fax: +91-79-29900194

Registered Office : 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad - 382415. Gujarat, INDIA.
Ph.: +91-79-22901078 Fax : +91-79-22901077 | www.aiaengineering.com, E-mail : ric@aiaengineering.com



“AIA Engineering Limited Q2 and H1 FY'26 Earnings Conference Call”

November 07, 2025

**MANAGEMENT: MR. KUNAL SHAH - EXECUTIVE DIRECTOR,
CORPORATE AFFAIRS, AIA ENGINEERING LIMITED
MR. SANJAY MAJMUDAR - NON-EXECUTIVE, NON-
INDEPENDENT DIRECTOR, AIA ENGINEERING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to AIA Engineering Limited Q2 and H1 FY'26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Kunal Shah from AIA Engineering Limited. Thank you and over to you, sir.

Kunal Shah: Thank you so much. A very warm welcome to everyone. Good evening, this is Kunal and I have Sanjay Bhai along with me here on the call today.

As I get into, top-line numbers and we will share a little update on the business and then we can get on to Q&A.

I think 2nd Quarter is largely in line with the 1st Quarter of this year. No remarkable financial difference, things look steady state by and large as far as operating numbers are concerned. I will still run through a quick summary, and then we will get on to the business bit of things.

We sold about 63,000 tons for a total of about 123,000 tons for the half year.

That compares to about 120,000 tons that we have done half year, last fiscal year and up from 60,000 tons that we have done 2nd Quarter last year, we have done about 63,000 tons this year, which translated to Rs. 1,029 crores of topline and EBITDA of Rs. 395 crores and profit after tax of Rs. 277 crores for the quarter. So, overall, from a financial number standpoint, the quarter looks largely okay and in line with the previous quarter.

Further breaking up our other income:

The total of which is about Rs. 98 crores, 33 crores of that belongs to foreign exchange and in that sense, it's an operating other income. We also have Rs. 18 crores of export benefits and about Rs. 64 crores of treasury income. So, the total other income is Rs. 98 crores is other income and export benefits, it's about Rs. 18 crores, about Rs. 116 crores of other income for 2nd Quarter of this year. And almost similar to what we earned in the 2nd Quarter last year. Nothing remarkable from a working capital standpoint, all our debtors and stock largely in line with what we have done historically.

From a tonnage standpoint:

We did 63,000 tons of which about 38,000 tons came from mining and 24 from non-mining. And again, so there's a small increase in the non-mining bid, mining bid continues to be flat between 2nd Quarter of last year, and slightly up from the 1st Quarter of this year.

Our average realization for the quarter is at Rs. 163. And that reflects product mix. I think raw material costs are largely comparable to the 1st Quarter. So, no large difference between the two. There are some numbers around power and fuel and other operating metrics where some bit of renewable captive as it gets online there is some implication, but largely comparable from an operational standpoint, nothing that's a large delta change.

From a business standpoint, all things that we have spoken about in the past around work that we are doing with the mines, I think all our efforts continue. There's a very important development that we have shared about a customer in Chile, we are not sharing the name, because the customer would not prefer for us to speak about it on a public platform, but very interesting customer. They have shared a contract that will last over 18 months, and their consumption is going to be variable, because it goes up and down, but our sale per year will vary between 13,000-14,000 to 17,000-18,000 tons, depending on their throughput and other things. So, let's, let's say about 15,000 tons a year is volume that we expect out of that. But more importantly, over and above the win, it is an important endorsement, it's a very important customer and it's our first breakthrough or a first win in that important South American market, and first ever customer who's now using hi-chrome for their grinding media. So, it's a big milestone from for us, from a directional standpoint, and an endorsement of all that we are trying to say. Our solution is designed to offer far more benefits than our typical grinding media offering has been historically doing and that includes mid liners and design changes within that and a whole solution engineering that we do. So, we continue to remain very excited. We are digging in our heels and putting in all the effort to make sure we have small wins and hopefully bigger milestones and good news to share.

I will have Sanjay bhai share a little bit more on it and then we can get to Q&A.

Sanjay Majumdar:

So, thanks, Kunal and a very warm welcome and a good evening to all of you.

So, as Kunal indicated, and as we had hinted even during our 1st Quarter call, there is a very, very, I would say a remarkably exciting shift in terms of our approach as a package, what we are now offering, where a very unique liner driven solution where as a package, the liner plus grinding media solution offers very exciting benefits to our end users. We had, so that would very quickly improve the throughput significantly, as well as reduce the power and other operating costs, which makes our solution unique. In a way, it takes us away from doing the risk of pricing and then anti-dumping and all other associated problems.

And more importantly, as Kunal just, we have also made that announcement, we have taken successful trials based on this new approach with quite a few mines. And as we speak now, two

large mines are also on the trial, very, very important mines, I would say. Plus this recent order that we have won, all of that makes us confident that going forward, we had also indicated that by this year, we may expect some increase in the volume, maybe 5,000-10,000-15,000 tons. But from next year, we are very confident that we should be able to demonstrate year-over-year sustained growth in terms of increase in volume, which has so far been one of the, I would say, a concern areas from the investor standpoint.

I think with this, I think let the house open for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Bala Subramania from Arihant Capital. Please go ahead.

Bala Subramania: Good evening, sir. Thank you so much for the opportunities. Sir, like what is the tangible evidence for the conversion pipeline, especially for forced to hi-chrome side? And are you seeing any change in our actual process from mining customers, especially requesting hi-chrome or integrated linear media solutions? Can you say the top three to five conversion opportunities in your pipeline?

Kunal Shah: So, Mr. Bala, one is, of course, as you very rightly said, the proof of pudding is in eating. We have got one major order whose announcement we have made. One Chile, very important customer, where the order size is 18 months is about 22,000 to 23,000 tons and about \$33 million order. That is one straight evidence of a conversion, correct? More importantly, as I said, we have conducted successful trials in about 10 to 12 mines, including in India, very important mines, very important iron ore producing or zinc production mines and overseas in Nigeria, in Ghana, in a few very other important locations where we have seen that the customers get the tangible benefits. Based on that, now currently, we are in trial, very, very advanced stage of trial where in the month of December and in the month of January-February of this fiscal itself, we will start getting the final outcome of those trials. These are very large mines, much bigger than what we have been conducting. So, what is going to happen is that over the next 3-4 months, you may come across a couple of other such announcements where this is obviously, plus, please understand our current business is ongoing. As you see from a sales or an EBITDA standpoint or from overall, everything is steady. And this approach, as you might have seen over the last 5-6 years, we have had several issues, both in terms of anti-dumping investigations and a lot of other trade barrier related problems. We believe that this solution takes us away from all those issues and we are working very hard on it. So, beyond that, at this point in time, I am sorry, I am unable to share.

Bala Subramania: Okay, sir. Sir, this new 75,000 ton middle liner capacity, what is the current utilization rate and what is the timeline to reach breakeven and what kind of utilization we may expect in the next 2 to 3 years' time frame? And how does the margin profile of the new rubber composite liners compare to your traditional grinding media? And when we can expect these lines to be materialistic revenue contributors, maybe over the medium term?

Kunal Shah: I think middle liners, while we have spent and done CAPEX and hence talked about that particular product line, you will have to look at everything that we do as an offering because we are offering a solution. I think the tonnage of middle liner per se is not always important. It's a beachhead for us because that brings in a lot of process improvement. The volume may come from grinding media, right? Because we are selling things as a package. We are trying to sell things as a solution. I think we will give overall guidance and the overall guidance that we give will include all mining parts that we are selling, which will be grinding media and middle liners. And middle liners, when we say that includes rubber liners also. I think it will be difficult for us to give a product-wise utilization or growth plan in that sense. Like Sanjay bhai said, we are making efforts. The first milestone is there. We will share an overall guidance whenever we believe that we have enough visibility and confidence on that conversion number.

Bala Subramania: Sir, I think overall 4.6 lakh ton per annum capacity, I think we did nearly 1.28 lakh. I think it comes annualized run rate of around 2.6 lakh metric ton that range. It's almost 55%-60% kind of utilization. Post that what kind of utilization we may expect, like 70%-80% kind of rate. And what are the specific projects in terms of CAPEX, whether we focused on deep bottlenecking or new product lines or geographic expansion site. If we get more clarity on that CAPEX, that would be really helpful.

Sanjay Majmudar: Sure. So, first and foremost, you're right at current capacity utilization level around 55%-60%. Please understand it's a mix of various products. So, we have grinding media, we have liners, we have castings, we have a mix of all the products that we give. We give as a combined blended capacity. But two main products, one is casting, which includes liners and everything, tube mill, timber and all other cement, mining liners, etc. And the castings are what we call them as VSMS, that is vertical spindle mill spare parts, the bigger ones. And then there is a grinding media as a mix. We work on a very long term customer acquisition and maintenance basis. So, we have to always make sure that after all the efforts that we put in, and as you explained in the past, it takes me almost two years, more than that in some cases, a little less than that in some cases, to convince the customer that their solution is right. Now, when a customer comes for an audit, our audit, he should never get that feeling that we don't have adequate capacity to take care of his requirements. And therefore, we are always a little ahead in terms of capacity creation. Because that process, even if it is a Brownfield project today, it takes 1.5 years. If it's a greenfield, it might take 2 years, 3 years, if I have to procure more land and start from the scratch. But on an average, theoretically, I can go up to 70%, 75% 80% utilization. And therefore, we are constantly year-over-year, consciously taking care that we always have some additional capacity available, given the nature of our business and customer relationships.

Bala Subramania: Okay, so what kind of CAPEX numbers, maybe next two years timeframe? This year, we have already guided for a CAPEX of over Rs. 180 crores. We have incurred about Rs. 40 odd crores. This includes, of course, investment in my new, I mean the subsidiary company MPS, plus my hybrid and renewable solar investment that I am planning to make about Rs. 30 crores in this

year, plus some maintenance CAPEX, some general CAPEX, etc., plus some investment that we will be making in Ghana and China, that is the new facilities that we are in the process of creating. So, on an average, I think if you want to take an average annual CAPEX, currently, you may take a number of around Rs. 150 crores.

Bala Subramania: Got it, sir.

Sanjay Majmudar: Thank you.

Moderator: Thank you. The next question is from the line of Raman Kerti from Sequent Investments. Please go ahead.

Raman Kerti: Hello, sir. Congratulations on a stable set of numbers, as well as on winning a recent order from Chile. I just want to understand that we recently won a Chile order. Can we expect a volume uptake in the second half of the year? Because it's 18 months order. So, it will be, if my understanding is right, it will be starting to be, you will be starting to execute those orders from this coming quarter?

Sanjay Majmudar: Yes, we expect the offtake to start from Q4 of this year. And it should go on as per the requirement of the customer. But as Kunal explained, on an average, on an annual run rate, you can take around 12,000 to 15,000 tons. So, maybe this quarter, we may ship around 3,000 to 4,000 tons. This quarter means the last one, fourth quarter, we already started production.

Raman Kerti: Okay. And I just want to understand what will be the realization difference when it comes to our average realization, which are around Rs. 163 versus this Chile order? Is it a better realization?

Sanjay Majmudar: It is not comparable for two reasons. We only share the blended average realization number, where if it is grinding media, it has to be on the lower side. If it is castings, if it is liners, it has to be on the higher side. It ranges from Rs. 100-Rs. 110 a kilo all the way up to Rs. 300-Rs. 350 a kilo in terms of my different products. So, this particular order is grinding media, so it will be always on the lower end of the spectrum. And hence, it is not comparable.

Raman Kerti: And sir, with respect to volume growth, what is the volume growth are we expecting in FY'27?

Sanjay Majmudar: So, as I said in the beginning of the call, we believe that from next year onwards, at least 30,000 tons plus annual volume growth is what at the minimum level we are expecting or targeting, I would say. Given the new initiatives that we have taken over last 24 months, 12 to 24 months.

Raman Kerti: So, 30,000 additional, right?

Sanjay Majmudar: Yes, of course, incremental. And that too I want to make a cautionary statement here. We are waiting for the outcome of these couple of more very large, successful orders, and then we will

really give you a proper volume guidance by the end of this year. But this is the minimum I am talking about, the minimum targeted. It has to happen. This is what we feel.

Raman Kerti: And by when are you planning? When do you expect this, the trial products to be converted into orders?

Sanjay Majmudar: One order will be reaching the final stage of trials around December end. Another one will be by Jan end or mid-February. But again, let me tell you, these are not little things where we are working, but these are really most important or extremely, I would say game changer kind of situations where then it can open up a very, very big opportunity, because many people are waiting and watching for the outcome of these trials. At any given point in time already working with 2030 mining sites, but then you have different stages, some of them small, some of them medium. These are the ones which are relevant based on the new approach which we have adopted.

Raman Kerti: Understood. Sir, my final question is with respect to the overseas operation, we have a unit in Ghana as well as China. What's the current capacity, operational capacity, and what's the utilization of those capacities? There is, I think, I don't know where you got that information from. We only announced a plan and an intention to set up plants outside India. We want to be very careful. We will be doing smaller modular plants. And as we stand right now in the process of acquiring land, applying for approvals, we will share a firm plan once we have things on the ground. We have never set up a plant outside India. It's a greenfield facility. We have only announced an intention to set up two plants, and we are working towards strategy to do that. And once we have clarity, we will be revisiting some of those decisions in terms of scale, size, capacity, and we will share that update once we have an absolute firm idea when we start implementing the plant. Till that time, our capacity continues to be in India.

Raman Kerti: So, the entire 4,60,000 tons per annum capacity is in India?

Sanjay Majmudar: Of course.

Raman Kerti: Understood. Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Varun Jain from Dolat Capital. Please go ahead.

Varun Jain: Hi. Good evening, sir. So, I have a couple of questions. So, my first question is that if I look at your H1FY'26 versus H1FY'25 volumes, so in mining there is a minus 2.5% degrowth, but the other segment is growing by almost 10%, 9.7%. So, this is driven by cement or thermal or what?

Kunal Shah: Nothing to read. These are just timing things, my friend. There's no meaningful reason for that. It's just water in the fields that added up to this.

- Varun Jain:** And this 10%, will it continue for this entire year, like it was in H1?
- Kunal Shah:** 250,000 tons, I can't explain for 2,000 tons plus and minus, no? I mean, that will happen. I don't know, between getting an order, producing it, dispatching it, delivering it, invoicing, there are timing differences. Companies have shutdowns, maintenance downtime issues. I mean, all that happens. So, this is just operational plus adjustment between two quarters. Nothing more than that.
- Varun Jain:** Okay. And the other question is that you have guided on EBITDA margins close to 24%-25% as sustainable. So, Q1, you said product mix was very good. So, you got 29.5%. But even in this quarter, it's close to 28.3%. So, will the margin remain at these elevated levels, at 28% plus levels for the next two quarters also? Or this quarter also has a favorable product mix or something? I can understand your question that things are worse than what I told, 2%. If you have done better margins, I mean, I will let it be at that, right? Our guidance is what we believe we should share with everyone and what we can defend. It continues to be at not even 24. It's 20% to 22% operating margin. We have done better. There are many factors that come to play. We will not be guiding a different number. That is something our performance is up for there. As a policy, we will not be guiding a profit figure beyond that.
- Varun Jain:** That is fine if you're not guiding. But can you tell us the reason why in Q2 it was so high, 28.3?
- Kunal Shah:** Exactly what you said. There is foreign exchange, there is raw material adjustment, there is transport cost, there is product mix. And it is impossible for us to strip out every single item and keep explaining where. So, it's a combination of those things.
- Sanjay Majmudar:** So, I will just clarify a few things. See, one, you're right, our margins are good. What we are factoring is that when I go for a significantly higher volume, that volume, when I start getting the orders, so that volume is predominantly going to come from grinding media, correct? So, today, my product mix is extremely comfortable. So, I have a very high value added, high profit making products also as a part of the mix, which play a dominant role. But when a grinding media plays a dominant role, when my volumes go up sizably, naturally, the average realization and the margins would change. And that is why we are saying that we feel that while our guidance was 2022, on a more optimistic or a more positive note, I feel we have said that around 2024 can look sustainable. We are doing better because we have an extremely favorable product mix. That's the primary reason we are doing very good. But as the product mix changes, this can change. Therefore, in all wisdom, we are saying, please don't factor anything beyond '24 or '25 on a long term basis. Say, when I reach 300,000 tons or 350,000 tons or 400,000 tons, this can definitely change. I can do better, but it's always better to guide or give a picture on a conservative side and then do a little better. And this is the reality of the situation.
- Varun Jain:** No, I understand, sir. So, I just have a last bookkeeping question. So, in Q2 FY'26, your year-on-year realization has fallen, yet gross margin is up by close to 418 bps. So, is this like some

one time low cost inventory you had or something? And also in Q2 FY'26, this export incentive has risen very sharply. So, just last two.

Sanjay Majmudar: No, so there are two aspects. One, again, although I may sound boringly repetitive, the fact of the matter is that a quarter over a quarter gross margin movement cannot and will never indicate a sustainable trend. Because, for example, in one particular quarter, say if I have shipped out of that 63,000 tons, if I have shipped 15,000 or 18,000 tons of liners plus castings, the needle can move completely different. In the next quarter, if that number falls to 12,000 tons and my grinding media goes to 40,000, 50,000 tons, again, the needle will change. My more clear suggestion would be, please look at us on a little longish, maybe over an annual basis or a half yearly basis. And then don't try to work out the trend or don't read too much on a particular quarter. Having said that, we are very comfortable. We are profit making. We are generating good cash. Everything is comfortable. We are working very hard on now major breakthroughs. And that can and will definitely make a difference in the times to come. But in a particular quarter, if anything changes, it should not be read as a trendsetter.

Varun Jain: Okay. And sir, just one last question I want to squeeze in. This order which you got from Chile, is that your first ever order from Chile for hi-chrome grinding media?

Sanjay Majmudar: I will tell you. We all know that Chile, Peru, they are very important matrix for from the point of view of copper, gold or the minerals where we are targeting. Correct? So, we have been working on Chile for more than 2-3 years. This is the first major order we got. And the idea was to show that this is a breakthrough. Internally, we are treating this as a breakthrough, because we got that entry into a very tough market on a substantial basis. You get my point? And that becomes a trendsetter, according to us. That also becomes a very important reference point. So, it's not the first order, but it is one of the first major breakthrough orders, I would put it like that.

Varun Jain: Okay, so above anything above 20,000 metric ton, you would classify as a major order. Am I reading it right?

Sanjay Majmudar: At the board level on the materiality, we had a discussion today, we are working on it, we will probably look at a 15,000 ton plus as a materiality threshold, but we will come back to you.

Varun Jain: Okay, sir. Thank you and all the very best. Thank you. Thank you.

Moderator: Thank you. The next question is from the line of Deepan Shankar from TrustLine PMS. Please go ahead.

Deepan Shankar: Good evening, everyone and thanks a lot for the opportunity. So, firstly, considering there is substantial potential for hi-chrome grinding media for further conversion in the market, what are the key challenges faced by the Company in this kind of conversions? Especially, what is the

price gap between the source in the grinding media and hi-chrome and how the gap has widened over the past three years?

Sanjay Majmudar:

So, my friend, the question that you asked is an extremely pertinent question, which goes to the very core of our activity. So, first and foremost, let me elaborate a few things. I understand that you perhaps have not been tracking us for a very long time. So, what our whole forte is, that this particular market of grinding and crushing in mining, we are focused on gold, copper, and iron. As an opportunity, this is about 2 million-2.5 million tons. Predominantly, the penetration of hi-chrome solution vis-à-vis conventional, forged or other material solutions, the penetration is 25%-30%. So, we are talking about 60%-70% opportunity, which is a million and a half or even more for these three specific ores. Challenges are many. We are in India. So, our solution is not only based on cost savings. That is how we had initially started. The fact of the matter is, as compared to a forged grinding media or any other material of construction for liners, our solution works in three directions. One, it straightaway saves cost of this consumable part, which is 8% to 10% of this entire mining process cost. Point number one, but that doesn't change the needle because there are multifarious challenges. These mines are extremely powerful, completely decentralized, localized, large operations. Nobody's interested if you go and say that, hey, I am going to save you a few hundred thousand dollars, etc., etc. So, then over the last 7-8 years, we have now made us a very, very formidable force by changing our solution to one, not only on cost saving, but saving on sizably increasing the throughput of the mines for the same or similar cost they are incurring on the same products that they are buying conventionally. So, if, for example, it's a gold mine, where input-output ratios are extremely adverse, if I say that on a \$5 million purchase of my grinding media or liner as a package that I am offering, if I am improving a throughput whose value is 25-30 million in a year, or 50 million in two years, against the 5 or 10 million that he pays me, he's not only saving on the cost of this material, but he's completely changing his equation of the balance sheet. Third, my solution now saves a lot of power cost. These operations, mining operations, are extremely capital-intensive. Our area of focus is grinding and crushing from the SAG mill stage up to primary, tertiary, secondary, tertiary, and beneficiation. These are extremely capital-intensive operations where if I am able to improve throughput, save power cost, my solution goes far beyond cost-saving. And this is what we have earned over a period of the last 3-4-5-6-7 years of very hard work. That is where I am getting a little more confident when I talk that now I am approaching mines not simply saying that I will save you money, but saying that I will improve your entire efficiency and it will be a game-changer for you, and you pay me the same price you're anyway paying. This is the reason. But it's a bit complicated. Our mining customers are very difficult people. It takes a very long time for us to convert, but now the opportunity is massive and we believe we are geared to take that opportunity. I think on this call, beyond this, to spend more time on that question would be unfair for the other participants.

Deepan Shankar:

Okay, sure sir. And like when we look at these Magotteaux available financial information, for the last two calendar years they were able to grow at 10% to 14%. So, have they gained more

market share in this or the most of that has only come from the grinding media and not from micro?

Sanjay Majmudar: No, so Magotteaux first, now our competition frankly has moved away and we are still very, very focused on the 4 grinding media players who are, so Magotteaux in their own, so they have multiple plants. Megatex is a very complicated scenario. There are some 14-15 plants in 12-13 locations. Some of them good, some of them not so good. They also have licensee relationships. So, beyond that, we can't comment. But frankly, we are not really focused on Magotteaux as a competition.

Deepan Shankar: Okay. So, lastly, in the last couple of quarters, we have been saying that there is inventory ramped down by large customers, potentially could be 20 to 30,000 tons of volume. So, are we expecting these volumes to come back at least by next year?

Sanjay Majmudar: So, it is not a question of volumes coming back, but our entire focus is on gaining incremental market share and volumes in new set of customers that we are talking. Of course, some of these volumes are bound to come back because now things have settled down quite a bit. But we offer our solutions to several mines across the geographies. And therefore, we are not really worried about one particular geography or rather agnostic if some volumes do not come back the way we anticipate from, say, Brazil or Canada. It's not that needle changer. But yes, overall, we are very focused on the new customer acquisition.

Deepan Shankar: Okay, thank you and all the best.

Sanjay Majmudar: And one point I forgot to mention on Magotteaux, they are also into non hi-chrome, which can be giving more volumes. We are not into that segment at all.

Deepan Shankar: Understood, sir. Thank you.

Moderator: Thank you. The next question is from the line of Priyankar Biswas from JM Financials. Please go ahead.

Priyankar Biswas: Good evening, sir. I heard from the commentary that right now, like, trials are going on at 11 large mines. So, if I look at it like a prospect pipeline, so if on an average, it's something like a 15 KT types opportunity, each one of them, would it be right to assess that it's almost close to a 150 KT type opportunity of all the three, all the 11 mines were to eventually convert to Hi-chrome? Would that be a fair assessment?

Sanjay Majmudar: Sandeep bhai was just trying to answer one gentleman's question where you've been asked in 20 different ways to give some guidance. And we are trying to explain why you're not able to share a guidance, right? Short of a guidance, what work are you doing? We have 10 mines, you're working at it. I think we are doing work at more than 50 mines across the world in different

stages. There are at least 8 or 10 where we are in advanced stage. There are maybe 10 or 15 where we are collective work that we may be doing, maybe prospecting work, maybe more than 200 to 50,000 tons, correct? But that's at various levels of work and where does it convert? How long does it take? Whether it's a job? I mean, there are plenty of things linked to that. The question is not the opportunity. The question is the larger context in which we operate with as an incumbent. The incumbent has been around for a long time. The customers are conservative. It takes time for them to, so all our effort is to make sure that our value proposition becomes better and sharper and more value added. That's what we are doing, right? And which is what finally, and these are things only when we do hard things, do we make the kind of margin that we make. You get it? So, the idea is that for us, these are hard things. These are things where there is no straightforward signaling to say, I will do this amount of growth. And which is where is our business at, right? So, more than 10 mines, I think our prospecting work is far more. And to answer your question, yes, there'll be at least 200,000 to 250,000 tons of prospecting work that we are doing.

- Priyankar Biswas:** Okay, that's extremely clear. Also, like they say the Copper Belt of Latin America, can you give me a sense of what is the hi-chrome penetration there? The reason I ask is, if it is a very underpenetrated geography for hi-chrome, for example, then we can potentially see a lot of growth. I mean, multi-year types of growth. So, and what sort of...?
- Kunal Shah:** Except of Brazil, Chile, Peru, which are the large copper producing regions, there is absolutely none. The breakthrough that we did is the first hi-chrome in that region for copper.
- Priyankar Biswas:** So, Kunal bhai, if this region were eventually to convert, I am not saying it will happen in one year, but let's say in a 4-5 year view. So, what can be the potential levels from this geography?
- Kunal Shah:** I think the region consumed close to, I think, forge players sell close to 700,000-800,000 tons there. So, I mean, that's the math.
- Priyankar Biswas:** So, even if we let's say reach a 20% penetration, that will also be a huge market. So, that would be the understanding.
- Kunal Shah:** Absolutely, you're right. That's what our whole efforts are. Bang on.
- Priyankar Biswas:** Okay. Very clear. Also, just if I can squeeze in. So, any impact from the tariffs in US so far? Like are the other US customers still taking the volumes? Like how are the volumes trending over there?
- Kunal Shah:** No. we are continuing selling and the customers are paying the duty. But mind you, this is not the reciprocal tariff. This was the sectoral tariff, which was initially 25% imposed in the month of February against steel and aluminum. And somewhere in May, this was increased to 50%. Correct. So, customers are paying, they are continuing to pay. There is, of course, some

negotiation, some slowdown with some customers who are a little reluctant to pay. But we are not barring. We sell only to those customers who pay the tariff.

Priyankar Biswas: Okay. And if I can squeeze just one last one. So, recently, a competitor has bought Molycop. So, do you think that from your business strategy, would it make a significant level of difference, especially in the grinding media or the mid liners as a result, like if Molycop really gets revived in a way? So, what are your views on that?

Kunal Shah: I think we were competing with Molycop for last 7-8-10 years. A Molycorp with \$300 million debt is better or a Molycorp with \$800 million debt is better on a 150 million EBITDA. So, yes, there is some ownership changes. There was a previous owner that tried lots of things to make changes in that. Forged is not our terrain. That's not a product that we operate in. Forged is a product, right? And hence, Molycop's offering is a product. AIA is a solution company. They are selling an alloy-based product. We are doing design engineering on it, and we are ultimately offering a solution that saves significantly more than the investment that they make in our parts. So, to that extent, if a product company has gone through ownership changes, I am not sure how else would we respond to. But there is financial leverage, and that itself doesn't make us feel nervous. Otherwise, we have to keep doing what we have to do, right? We are staying in our lane and working to make sure that we focus on what we do well and making our offering even more extraordinary as far as value-addition of the customer is concerned.

Priyankar Biswas: So, you are not too worried about it? So, maybe the AIA business will remain as usual? I mean, nothing at all.

Kunal Shah: It's nothing for us. We are just an observer like any other participant in the trade that there's something that has happened. Good, they will go through their own journey, whatever that means for them, right?

Priyankar Biswas: Yes. Absolutely clear. Thank you so much.

Moderator: Thank you. The next question is from the line of Devang Baid from Bd Enterprises. Please go ahead.

Devang Baid: Sir, majority of the questions have been answered regarding the 4,000 crore-5,000 crore cash we were holding out and we are expecting some good news coming within the next 3 to 4 months maximum, what we are expecting. Now, my only minor question is, because I think so there is a subsidiary company, Welcast, and you have closed down the plant. Any update further on that? Because I don't think so that like I tried to call multiple times on the both the numbers, which was given on the announcement, but not a single number was reachable. So, can you just guide me out with that? Because I am holding some shares on that one also.

- Sanjay Majmudar:** So, Devang Bhai, Welcast closure, we already made an announcement that it was not viable for Welcast to continue, given the fact that it was a very old plant. It was a very awkward location and for us to as a shareholder, major shareholder as a holding company to invest anything in Welcast was not making sense. More so, particularly when we have created excellent infrastructure here in Gujarat and so it was more driven by the commercial consideration. Nothing else.
- Devang Baid:** So, any plan to like, either the company is going to get it merged out or like because...?
- Sanjay Majmudar:** No, so as of now, we have not made any such plan. We, in fact, if you remember, a couple of times, we had tried to delist Welcast also, but we did not meet with any success because, I mean, we did not get the adequate number of shares which is statutorily required. But this is where the situation is. As of now, it is a standstill.
- Devang Baid:** Okay. That is fine, sir. Like, that is all from my side, nothing else. That is fine. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Raja Kumar from R K Investment. Please go ahead.
- Raja Kumar:** Hello. Thank you for the opportunity. Good evening, Sanjay bhai and Kunal bhai. Sir, just two questions. Your standalone profit performance is better than your consolidated performance. So, is it due to some of the subsidiaries not doing well or is it more like you sold the material and the material is remaining unsold in the consol?
- Sanjay Majmudar:** Mr. Raja, I want to make one thing very, very clear. My subsidiaries are, except for MPS, which is a small design focused subsidiary company that we have recently acquired, all other subsidiaries are fully integral marketing linked subsidiaries. Therefore, you should only look at our consolidated numbers and not my standalone or subsidiary standalone numbers.
- Raja Kumar:** Okay. Got it, sir. I understand now. Sir, the second question is, I see that note number 8 in your financial statements. You have mentioned that one of the factories has been shut down. So, I just want to know, given that you are expanding, so we have not explored using that capacity for any of the alternate purpose. For any reason, you are shutting down the entity?
- Sanjay Majmudar:** In one of the, just the previous question, I think that note pertains to the shutdown that we have recently announced of Welcast Steel Plant. As I explained, it's a very old plant, the location in Bangalore in the heart of the city. It was not viable for us to make more investments into Welcast so as to make it operationally viable. And therefore, in the interest of financial prudence, we decided to shut it down. You don't need anything because at the parent level, we have sizable capacities created here.
- Raja Kumar:** Okay, sir. Thank you so much.

- Moderator:** Thank you. The next question is from the line of Lokesh Manik from Dalma Capital. Please go ahead.
- Lokesh Manik:** Hi. Good evening, Kunal bhai and Sanjay bhai. My question was firstly on the new package solutions you spoke about earlier in the call and how it moves you away from the entire ADD fiasco. So, just clarification here is, is it now the technical description of the product that puts you out of the net or is it the pricing of the combined solution is such that no domestic player can **47:51 start** dumping?
- Sanjay Majmudar:** So, I would put it like this that we are offering this as a complete package where individual items are, rather they become insignificant. So, this package works as a complete total 360 degree solution where we move away from price discussion of a particular product. I mean, at this point in time, I can share only this much.
- Lokesh Manik:** Fair enough. So, secondly, if you can just give us a sense of what would be the penetration of this solution in our existing business to as a percentage of total customers and whatever you may want to share, just to get a sense of how we are progressing on that front?
- Kunal Shah:** Most of our sales will come from solution sales. Most of our sales, going forward, large breakthroughs are linked to these solutions.
- Lokesh Manik:** So, with the trial runs you spoke about, that are scheduled to be completed in January, would it be a fair assessment that 30%-40% of the business now would be these package solutions that we would be entering in?
- Kunal Shah:** I think what Sanjay bhai is saying is that important trials are in place. Those trials mean we will do more about it. This is efficacy of hi-chrome grinding media. It's an efficacy for overall solution, right? It's a two-level approach that we have. The first breakthrough for hi-chrome is done, where there is some bit of solution. There is more of solution that we are working on, but these are all, the minute we get into the rabbit hole where there is no answer, right? So, just bear with us. All we are saying is, there is interesting work going on, and once we have clarity, we will share numbers for people to build future guidance on.
- Sanjay Majmudar:** Just to clarify, when I say a package, it's a unique lining-based solution coupled with linked grinding media, which is offered as a package. So, my product remains the same. It's not something new that I have invented, but it is the efficacy and the solution that I am offering as a package, which is a game-changer. You get the point? So, I make the liner, I make the grinding media, I sell that. But it is linked and it is balanced, which I think, honestly, no other competitor in the world is offering today. This is the uniqueness. And through intense research, innovative designs, a lot of hard work has gone into this.

- Lokesh Manik:** Great, sir. Sir, last question was on just the substitute, if I may say, call it a substitute, which is a forged grinding media. Can a competitor we spoke about previously, Molycop, which has been acquired by one of the Indian players and they are pioneers in that new lining space, so, can they also come up with a similar solution or you think that hi-chrome grinding media far outpaces that kind of a solution, even if they were to come up with it?
- Sanjay Majmudar:** See, in all modesty and not to sound arrogant or anything, very honestly, theoretically, anybody can do a research for 5-10-15 years and try to come up with something. But one Molycop is a predominantly forged player, and we are replacing forged with our solution. Correct? Now, the other Indian player competitors you talked about, they are technically into liners. We are also into metal **51:41** or rubber or composite liners. But what we offer as a unique design and as a combination and with a kind of a guaranteed throughput etc. etc., I don't think they are anywhere near in terms of the capability. Having said that, yes, technically, theoretically they can, but it's going to be very, very difficult. It will take a lot of time, if at all. And I think at this point in time, nobody in the world is offering this. Globally, nobody.
- Lokesh Manik:** Very heartening to know that. Thank you so much. That's it from my side.
- Sanjay Majmudar:** Thanks.
- Moderator:** Thank you. The next question is from Mayank Bhandari from Asian Markets. Please go ahead.
- Mayank Bhandari:** Thanks for the opportunity. Just one clarification on the gross margin. Are we baking in the lowest steel prices here? And what would be the guidance? Will it improve sequentially from here on?
- Sanjay Majmudar:** See, our gross margins are around 38% to maybe 39% generally. We always work with a complete pass through kind of a scenario. Currently, for quite some time, the prices are a little soft. Particularly, ferrochrome is quite a bit steady. But if at all, if something, and again it's a function of product mix, as I said. But it's not really something that causes us any concern. There's always a lag of one quarter or two quarters, and we normalize any changes in the cost structure.
- Mayank Bhandari:** So, we are more dependent on steel or ferrochrome?
- Sanjay Majmudar:** So, in terms of value, 50% of my raw material cost is ferrochrome and 50% could be scrap. But in terms of quantity almost 70% is scrap and 25%-30% is chrome. And there's absolutely no problem in getting that.
- Mayank Bhandari:** Okay. And sir, on this hi-chrome thing, I mean, as we go back and touch that, we have a patent towards this product. And we understand that, is there any increased Chinese competition in this hi-chrome market? Or have we seen anything sort of that?

- Sanjay Majmudar:** Chinese players are very much present globally also. But I don't think anybody can come really nearer to us in terms of the solution or the advantages that we are offering.
- Mayank Bhandari:** So, hi-chrome offering is there, but it does not match the exact quality that we offer.
- Sanjay Majmudar:** Yes, I mean, that hi-chrome product that they offer is more like commodities. What we do is a part of a package solution, which is very unique.
- Mayank Bhandari:** Okay. Thank you very much.
- Sanjay Majmudar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vipin Goyal from Mirabilis Investment. Please go ahead.
- Vipin Goyal:** Hi, Kunal bhai, Sanjay bhai. I am Vipin Goel from Mirabilis. Heartening to know about the exclusivity of the bundle solution that you talked about for the two mines. Small question here is, are these two mines, two sites, completely new customers to us? Or is it being done for existing customers where we are pitching them incremental solution?
- Kunal Shah:** It is for new customers.
- Vipin Goyal:** Okay.
- Kunal Shah:** You can run through our last few transcripts, a lot of these questions will get answered. I don't want to take everyone's time on these questions. And we are happy to take questions offline if you still have any.
- Vipin Goyal:** Great. And sir, just one more on the package solution that, I mean, apart from this, barring these two mines, if I just take the purely based on the Chile order, is it good to assume that as of now, today's visibility, 12,000 to 15,000 incremental volumes are for sure for certain for next year?
- Kunal Shah:** Exactly. The new order that we got is correct.
- Vipin Goyal:** Got it. Thank you.
- Kunal Shah:** Thank you.
- Moderator:** Thank you. The last question is from the line of Varun Jain from Dolat Capital. Please go ahead.
- Varun Jain:** Hi, sir. So, just touching upon your previous comments. So, you said that you are a solution oriented company because you have midliner and grinding media. Now, even they have both of these things.

- Sanjay Majmudar:** I would not be able to further comment on Molycop.
- Varun Jain:** Okay. So, they basically had said that they have grown their hi-chrome media from 0 to 62,000 MT in the past couple of years. And they target 200,000 MT. So, they have been growing in the past year. So, can you tell us like where this growth has come from and whether they have taken some market share from you or what?
- Kunal Shah:** We are not aware about their hi-chrome business. We do not see any hi-chrome from Molycop or from Tega in markets that we operate in. There are lots of comments and things. It's not right for us to comment about it. Today as we speak, they are not affecting my market. We don't compete with them in any other place. I will leave it at that. Right? They have a public commentary, I would rather that you go and clarify those with that. From our standpoint, we have clarified our guidance and the work that we are doing. I think we will keep our questions to that.
- Varun Jain:** Okay, sir. Thank you and all the best.
- Kunal Shah:** Thank you so much, guys. Again, we are, like I said, largely our business continues as is. A great milestone for us in terms of our win in Chile. And we hope to build on that in the next few years, create a very sustainable, meaningful presence in South America based on that and hopefully, we will have better news to share in the coming quarters. With that, Sanjay and I will sign off and remain available for any offline questions you may have. Thank you very much and have a good evening. Thank you.
- Moderator:** Thank you, sir. On behalf of AIA Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.