



AIA Engineering Limited

February 2, 2026

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 January 30, 2026

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, January 30, 2026 to discuss the Unaudited Financial Results and performance of the Company for the Quarter/Nine Months ended 31st December, 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

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“AIA Engineering Limited
Conference Call”
January 30, 2026



MANAGEMENT:

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

Moderator: Ladies and gentlemen, good day, and welcome to the AIA Engineering Limited conference call. As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Sanjay Majumdar: Is my line audible? Am I audible?

Moderator: Yes, sir. Now you are loud and clear.

Sanjay Majumdar: So have we started the call?

Moderator: Yes, sir. Go ahead.

Sanjay Majumdar: Yes. So, good afternoon, ladies and gentlemen, and welcome to the Q3 results call of AIA Engineering. I'm Sanjay Majumdar. And as usual, myself and Kunal, we will be taking this call. Unfortunately, Kunal is slightly stuck in traffic, and he will be joining in next 2 to 3 minutes.

So in the interest of the time, I will just, as usual, give a little overview of the Q3 numbers. I'm assuming that you all would have a chance to have a look at the numbers. As you will see in this quarter, we have done around 67,896 tons of production and 64,500 tons of sales. Cumulatively, therefore, till -- for the 9 months' period, this comes to almost 187,000 tons of production and almost a similar tonnage of sales. The overall top line in terms of the operating revenue stood at about INR1,066 crores, and including other nonoperating income, we have reported about INR1,200 crores as the top line.

The reported EBITDA is about INR425 crores, which comes to almost 40%. And the operating EBITDA is around 28% after knocking off the other nonoperating income. We have reported a PAT of about -- we have reported a PAT of about INR294 crores after deducting the minority interest. Correspondingly, for the 9-month period, the EBITDA stood at about INR1,093 crores and the PAT stood at about INR775 crores.

Now if I look at the numbers in retrospect, I have just -- Kunal has just joined. So Kunal, we were just giving the overview of the numbers for the Q3 and 9-month period.

Kunal Shah: Yes. Good afternoon, good evening, everyone. I also have a bad throat, so you're going to hear more of Sanjay Bhai than I have, you will hear of me. This quarter has been relatively a uneventful period.

I think we continue to do more of what we are doing, very little in terms of market or business update. I think it looks to be a year wherein -- or rather a period where there is tremendous amount of unstability around us. And possibly the best course of action is to fasten one's seat

belt and make sure that we survive this period, and we consolidate ourselves and to make sure that we thrive with everything else that we are doing.

Sanjay Majmudar:

Just a small correction. The 9 months PAT stood at INR876 crores and the EBITDA stood at INR1,241 crores on a top line of about INR3,153 crores, and the total income of INR3,495 crores. You may continue.

Kunal Shah:

Exactly. So for the quarter, we've done about INR294 crores PAT and INR425 crores of EBITDA. So the numbers continue to reflect all the value that we bring to the customers, and all of which forms a basis for what we are doing for new customers within the mining environment -- mining customer base.

Moving on, as far as other income is concerned, the total stood at INR135 crores. There is a reasonable amount of foreign exchange gain as the currency, as we all know, has moved beyond INR90. So there's a INR50 crores of foreign exchange gain. The rest is standard and customary. There's an INR18 crore export benefit.

and there is a treasury income of INR83 crores. So total about INR135 crores of other income. We are assuming that foreign exchange and the export benefits are operational in the nature that the next year the foreign exchange gain will move into a revenue line item, assuming all our invoicing -- It looks like currency may not appreciate much from here, may continue to slide, as we all know, the Indian rupee vis-a-vis the dollar situation is concerned.

That stood at -- INR67 crores. So there is a marked increase in other income compared to the third quarter last year. I think everything else continues, working capital is in line. From a volume standpoint, volumes still reflect a little bit of issues that we've discussed over this period. So third quarter is at par with the third quarter last year, and 9 months is also similar.

So we are absolutely -- absolutely similar numbers in both these periods. We did 187,800 tons and about 64,500 in this quarter. Otherwise, numbers are comparable within mining and non-mining. While Sanjay bhai will speak a little more about how this forms, what are the basis, and things that we are looking at, broadly, business is as is from everything that we mentioned, realization is similar. Our cash levels continue to be around INR4,200 crores.

We're not looking at significant capex beyond maintenance and some bits of remaining capex from our casting plant. One highlight was the fact that we've closed our plant in -- closed the plant of our subsidiary in Bangalore called Welcast Steels, and that reflected 24,000 tons of capacity. So we were at 460,000 tons, which was 340,000 of grinding media, 120,000 of nongrinding media. The grinding media now stands reduced by 24,000 tons. So 314,000 tons and 120,000 of castings, taking our total capacity from -- to 436,000 tons.

This year, we'll do current run rate about 250,000 to 260,000 tons. So we are still operating reasonably below full capacity utilization. And our facilities in Ahmedabad, we can look at more capacity as brownfield, plus our plans to go build things outside of India, as discussed in Ghana and China.

So with that said, even after the plant -- even after that capacity going off stream, it looks to be that we are okay as far as serving our customer base and serving our growth needs are concerned. As far as market is concerned, like I said, just serious amount of uncertainty across the board. Every country is doing things in its own -- trying to protect its own interest.

There is lots of uncertainty around geopolitics with wars being raised in several regions, something that's going on with Iran right now, the Southeast. So shipping lanes continue to be fragile and high wired. So that's also a risk in terms of container availability, shipping line availability, shipping time and of course, the volatility in shipping costs. So having said that, just reflecting back on what are we doing with the customers. So the world is continuing to go put borders, duties, protective measures.

How does a company like AIA thrive and grow? What is the mindset? So we are saying that if that is the world that we live in, which is protectionist in nature, how do we look at our strength vis-a-vis incumbents or competition? And one of the fact is that India remains an extraordinary location for our type of products, which is not just production or hands on the factory, but it is the whole value chain, which is design, pattern making, production, customer interfacing, the whole service and metallurgy aspect, and of course, our production.

The ecosystem that exists in India for these type of products overall and the solutions that we have built on top, give us the confidence that despite what may happen, despite these turbulences that we are seeing on the ground, we all are seeing the serious surge in metals, precious metals, gold and silver, and there is a significant talk about what happens to copper.

And we were reading about how the world has mined x amount of copper in last -- from -- till the time humanity came, started mining, that amount of copper will needed to be mined in the next 20 years, just to continue a 3% growth rate. So there is just unreal amount of stuff happening. Copper looks to be in a structural bull run.

The world will run out of copper in -- with the way it's projected to be, and copper production is reducing in tonnage standpoint every year, every month, just because of the grade condition. And it looks like we are one of the only game in town addressing this serious problem.

So we are very excited of all our solution interface and engineering that we are doing in terms of solving those issues, solving those critical challenges for our mining clients, especially gold and copper. And with that said, we have to -- that does not absolve us of overcoming these duties and shipping-related issues or the general overall conservatism that we see with our customers in having to try out different solutions.

All we can do is continue to reinforce our efforts, ensure that our solutions become more and more deeper and bring more value addition to the client, and we are hoping that unlock happens. We announced our first chrome customer in South America, and that's the first chrome consumer in the mining space. A lot of people then ask us, will that mean 100,000 tons coming up?

I think our guidance -- we'll continue to extend from our guidance, and we've explained, that's because of the lack of clear signaling from the customers on what means -- liking the product or getting the proof of concept to moving to full commercial engagement. There is a whole lot of steps involved. And we don't want to be in a situation where we go ahead of ourselves. So we'll do the work. We'll see the tonnages coming on, and we'll keep sharing as much as we can, but - and share as much about the business, but you will have to pardon us for not being able to share volume guidance at this time.

So besides the developments within the win that we had last quarter, we do several trials. We are working on several trials. A lot of -- some important trials which were -- which we were to get results of last quarter, look to have moved to this quarter, the March quarter, and that's just the way things are at mining end. There is just lot of unpredictable variables that we work with. So trying to say will we see clarity in 3 months, 6 months or 2 years is not also a question that, unfortunately, we'll be able to help.

And we are hoping that the numbers that we have presented and everything else about the business reflects the kind of effort that we are making to bring value.

That's, I think, the singular mission of our work where there is disproportionate value that we try and bring our customers. And that's one of the outcomes there is the financial numbers that we just presented. And hopefully, that will translate into sustainable growth going forward.

With that, I'll have Sanjay bhai, or maybe we can just go into Q&A.

Sanjay Majmudar:

Yes. Just to add very quickly, as Kunal mentioned, in the last call we had indicated that some new solution package, solution-oriented trials are going on. I want to say that the trials are progressing positively. Only thing is it is taking a little more time given the complexity and the technicalities involved for us to get the results, but we are positively and quite excitedly working towards it. And that is the reason why in terms of opportunity it remains the same.

I think our uniqueness remains absolutely intact. The trials are going on satisfactorily. So let us hopefully wait and watch till we get the final outcome. With that, I would request the moderator to open the house -- open for Q&A.

Moderator:

The first question is from the line of Rita Fernandes from Neo Asset Management. Yes Mr. Fernandes, go with the question please. As there is no response, we'll move to the next.

The next question is from the line of Varun Jain from Dolat Capital.

Varun Jain:

So sir, I wanted to ask you in your mining volumes which are close to 40,000 MT per quarter how much of it is in India? And how much of that is to -- approximately how much of that is to Hindustan Copper?

Sanjay Majmudar:

Sir, we -- Mr. Jain, we don't give client-wise details. But broadly, you can say that if you look at the mining volumes, on an average around 3,000 to 4,000 tons maximum would be from India.

Rest all will be from outside India, but we'll come back to you. Just give me a moment, and I will look at the numbers. But most of the mining volume is from outside India.

Varun Jain: Yes, yes. No, I understand that. So sir, since in the initial remarks, you were saying that there's a lot of geopolitical uncertainty.

Sanjay Majmudar: Indian -- I would say that annually, the Indian mining run rate would not be more than 10,000 to 12,000 tons a year.

Varun Jain: Yes. But sir, like Hindustan Copper, they have said that they will increase their capacity from 3.5 million metric ton to 12 million metric ton by FY '30-'31. So that represents a big opportunity for AIA. How do you see -- like, will that give us 30,000, 40,000, 50,000 metric ton structural volume increase over the next 5, 6 years?

Sanjay Majmudar: Sir, it is like, if I've been very honest with you, our fundamental focus in mining is actually in the opportunity outside India. The reason is, we are looking at very large, much, much bigger markets like Latin, where between copper and gold we are talking of at least 0.5 million ton kind of an opportunity on which we are working.

Similarly, you look at Australia, similarly you look at some of the other markets, the key other markets being Africa, CIS, et cetera. So my point is that if you look at your sales, coming back to your specific question, mining volume in the domestic market in the third quarter was about 5,000 tons.

And 9-month period the mining volume -- one second, where is the 9 months. Okay. Yes. So on that run rate basis you can say that in 9 months, the volume was about 18,000 tons, in mining, in India.

Varun Jain: So sir, my question was that only sir, then for like 3.5 million MT of Hindustan Copper, if this is like 20,000. So that's a big number, right, for -- if they like quadruple in the next 5 years. So if you can also 3x or 4x these volumes. Do you think that is possible? Specifically, I'm asking for...

Sanjay Majmudar: No, no. So let me give you a very simple perspective. As I said over the previous calls also, we are currently focused on all these markets where the opportunity is significantly large. That doesn't mean that we are not looking at India. So wherever in India there's an opportunity, Hindustan Copper, doubling or tripling the production of copper is something that as and when we move ahead, we will definitely evaluate and see what best we can do.

But as I said, from a growth driver perspective, it is the mining opportunity outside India is where our maximum efforts are concentrated. In fact, for that matter, even iron ore production is going to go up.

So I'm not saying that India is not really a country of focus. But from a global perspective, the opportunity-wise, we are focused on markets which offer much, much bigger opportunity at this

point in time where we are already being engaged and we are working very aggressively over the last several quarters. We are working in India. We have taken lot of trials in India. We are supplying in India.

That's why if you see my volumes have grown. From quarter-to-quarter, we are currently in the run rate -- in India also, as I shared the numbers. This -- but I'm very clear, the focus is outside India.

Varun Jain: Okay, sir. And my second question was on capex. So FY '26, I think you guided close to INR180 crores, out of which INR105 crores is done. So will balance INR75 crores be done in Q4? And what about this China and Ghana, like any time line on that?

Sanjay Majmudar: I'll tell you. Balance INR75 crores, INR80 crores, around INR30 crores is for our new solar hybrid capacity, which is committed, and which is 100% going to happen in Q4. Plus certain capex -- I would say a realistic number is in the range of about INR50 crores to INR55 crores. But let us see, we are working on it, for Q4.

Varun Jain: And sir, China and Ghana?

Sanjay Majmudar: China and Ghana, see, we have already -- we are in the process. So land is procured in Ghana. We are awaiting for certain clearances from the government. So that work -- but that is not going to be significant in Q4.

Varun Jain: No, no, sir, not -- I was not asking for Q4. I was asking what is the outlook? Like when is the plant -- when will the plants come up? That was the question.

Sanjay Majmudar: See, we believe, see in China, we have -- in Ghana, we have currently procured the land, done the site development and are awaiting for certain clearances from the government, which I'm expecting to happen in this quarter. If that happens, then over the next 1.5 years we should have the Ghana capex in place. China, we have initiated the process. We have set up a small lab also in China, and we are in the process of evaluating and finalizing the plants. But you can say over the next 1.5 to 2 years, we should have both the facilities in place.

Varun Jain: Okay, sir. And just my last question. So last call you said that 2 large mines were in advanced stages and 10 to 12 others were in medium stages. So what is -- like what is the conversion? And is this mill liner-driven approach working? And what is the mill liner capacity utilization for 9 months and Q3?

Sanjay Majmudar: See, mill liner-based approach is the focus on which we are working right now. As I mentioned -- Kunal mentioned, and myself also, I mentioned in the initial opening remarks on the call that the progress is happening satisfactorily, but it is taking a little time. So we are waiting. There are certain technical matters which we have resolved. And then again, those trials are progressing quite satisfactorily.

The process has taken maybe 2, 3 more months. So let us wait. There is nothing more that I have to add, but it is continuing.

Varun Jain: And sir, capacity utilization of mill liners?

Sanjay Majmudar: Capacity -- mill liners also, see capacity utilization currently working at around 50%.

Varun Jain: Okay, okay. So this is for 9 months or Q3?

Sanjay Majmudar: 9 months. 9 months.

Moderator: The next question is from the line of Priyankar Biswas from JM Financial.

Priyankar Biswas: So quite a steady quarter, I would say. So my first question is regarding, again, coming back to the trials. So essentially, like for the sort of the large 2 mines that we were on very advanced stages. So we should be expecting the results in the coming 2 to 3 months is what you are saying, right, if I understood it correctly?

Sanjay Majmudar: Correct.

Priyankar Biswas: Okay. And sir, one -- the thing is I wanted to...

Sanjay Majmudar: To be very clear, at least one mine in next 2 to 3 months, the second mine could be maybe 4 to 5 months.

Priyankar Biswas: Okay. That's even clear. Okay. And I also wanted to understand, let's say, how the Forex effect works here. So just for my understanding, so how much, let's say, of your sales currently, like a ballpark amount will also do, like is USD denominated?

The reason I'm asking is like a lot of your costs are INR denominated here. So eventually because there is a sharp depreciation. So how should we see the realizations, let's say, in a rupee term going forward, like in that sense?

Kunal Shah: Kunal here. So, I think 3, 4 aspects to this, and I think we've shared this over currency conversations in the past. We are not -- don't -- we are not a Indian exporter who benefits or loses on account of the dollar change, because generally our -- the -- so first of all, our transactional currency is U.S. dollars.

We are not dealing with -- we are selling to 140 countries, but we are at best dealing with a Canadian dollar or a euro or Australian dollar and the U.S. dollar. So most of it is U.S. dollars. So most of our exports transaction currency is U.S.

dollar, but the importing country generally would have seen a similar change like India has. So when you sell to Australia, when you sell to Brazil, when you sell to all these countries -- and by and large, is the rupee, so if my cost is -- my selling price is INR1,000. At INR80, I was

selling at, let's say, \$1,200. At INR92, I'm selling at \$1,150 or \$11 whatever the math is. So yes, we do get to keep some difference.

When it's weakening, we do see -- we do get to keep some part of that, right? But by and large, it's a pass-through. So currency for us is a pass-through because it allows us to be more competitive, allows us to be at our optimal best. You get it? So when it appreciates or it depreciates like with raw material, there will be a lead lag effect before it all passes on.

But in a way, I don't think you can take our numbers and say currency has gone up 5%, so my margins will go up 5%. Basically, that's what I'm saying. There will be some remnant of a lead lag that will be there for next 2 or 3 quarters. Our endeavor is to make sure that it becomes a cost more rather than a margin conversation.

Priyankar Biswas: Okay. So maybe like what is the relative performance of the other local currencies also comes into the picture. That's what I understand. Also, like since you -- I think I heard during the -- when you were making your opening remarks, so if I heard it correct, like almost INR4,200 crores of cash you have. Now, I believe even this cash, it would also be largely USD denominated? Or is it like a domestic currency?

Kunal Shah: No. Outside of India we only have transactional operating cash, which is less than 10% or 5% of the money there. Most of our investments are in Indian rupees in India, most of it.

Priyankar Biswas: Okay. And just one more question, if I may squeeze in. Recently, we are hearing talks about the EU FTA that has happened, quoted like the mother of all deals. So can you highlight like what sort of tariffs that you -- or duties that you're facing in Europe at present? And so, if that deal translates like over a period of time, would there be any benefit?

Kunal Shah: We don't sell to Hermès, European luxury houses. Our customers are mines and cement plants. And generally, Europe is not a very active player in these fields. So Europe FTA, by and large we are neutral to it. It does not change anything materially for us.

Moderator: The next question is from the line of Devang Shah from DD Enterprise.

Devang Shah: Sir, the main question is currently, if I'm not wrong, we are utilizing the capex utilization -- the capacity utilization is around 75%, right?

Sanjay Majmudar: No, Devang, overall, if you see around 60% to 62%, see plant-wise, it will differ, but around, you can say, average 60% to 65%.

Devang Shah: Okay. So now -- sir, the thing is like if the global markets, the mining business is boosting up currently, what we can see from last 2 quarters, the mining business, the commodities are selling very good at the prices. So is it any, like further -- can you remark us like if the capacity utilization grows up by 75% or 80% or 85%, the EBITDA level what we are posting currently is 27%. So that will also increase or any plan like the capacity utilization to expand more?

Sanjay Majmudar:

So Devang, there are 2 different types of questions that you have posed. The first part is are we linked directly to the fortunes of mining industry? So currently, you said that the prices of commodities are on the rise, does it create a separate set of an opportunity for us? Very honestly, we are a little agnostic to the mining industry cycles. What we are focused on is this conversion opportunity.

So just to recap, on the gold, copper and iron, these are the 3 main metals on which we are focused worldwide. Market is huge. Market for consumable is maybe more than 3 million tons. But the addressable market for me on which I'm focused right now is maybe 1.5 million to maximum 2 million tons. Out that, the penetration is 25%, 30%, 35%, penetration of high chrome-based solutions. So it is this sweet spot of 1 million, 1.5 million tons on which I'm focused for conversion.

Now therefore, when I'm talking to the mines for conversion, I'm talking on 3 aspects. One, I'm saying a very simplistic thing that if you are consuming currently 8% to 10% of your total conversion cost is your consumable wear parts that I'm supplying, because my wear rates are very lower, I will reduce this consumption by 20%, 30%, so that your cost comes down to that extent. That is point number one. More importantly, it is the entire grinding and crushing efficiency in the mining on which I'm focused. Therefore, I'm working on 2 aspects: one, improvement of throughputs.

This is very complicated. We started off with SAG mills. We are currently focused on some very unique ball mill-centric solutions on which we have been talking about over the last 2 quarters, and we are still very excited about it in terms of -- though progress is slightly slow, opportunity is very positive, and it remains in that trajectory. Only thing is a little uncertainty as to what exactly -- when exactly we can start talking about the volume growth, et cetera. That's why we are quiet about it.

That is one. Second is significant reduction in the other operating costs like power, et cetera. So you improve your throughput, you save power costs, and you also incidentally save on certain other consumable costs associated with beneficiation process like cyanide, et cetera.

Our entire focus, therefore, is now a combination of unique liner plus our unique high chrome grinding media going as a package. So my point here is that whether a mining industry cycle is an upside or a downside, the benefit that I'm offering is much, much materially different than anything linked to cycle.

So this is the first leg of your question. And the second part of your question was that whether I will get the benefit of operating leverage. You see currently, we are doing a very decent EBITDA, even at the operating level because of very favorable product mix and a very controlled side of a cost. At this point in time, we haven't done any major exercise. But if theoretically volumes double, then of course, there could be some improvement.

Having said that, whatever volumes are driving this growth, if it is more of a grinding media, it could be a different issue. So I would say we are refraining from -- any guidance on the margins. We are saying that we are operating at a decent margin, and we want to continue operate at that level. Of course, our guidance per se on an operating side at a much higher volume is actually lower. We are talking of 23%, 24% and not even 27%. But that is actually not a function of operating leverage. It's a function of product mix.

Devang Shah:

Okay. So it's -- possibly for next 3, 4 quarters, the capacity utilization will also not increase drastically?

Sanjay Majmudar:

I would not want to comment on that, honestly, because if my -- the way I'm working on, if suddenly I get opportunity, I can increase my capacity utilization.

Moderator:

The next question is from the line of Bhavin from SBI Mutual Fund.

Bhavini:

Could you give us a bit more flavor on the non-grinding media piece, which is the liners out there, especially if you could give us some -- what was the output on the metal liners and what was the output on the hybrid liners that we've kind of expanded? Where are we in that journey? And what's the kind of growth we are seeing in that segment of the business?

Kunal Shah:

Got it. So Bhavin bhai, I think clear -- the strategy seems to be reasonably clear now on what we are targeting and how we are going about it. As part of that, which is the whole gamut of lining solutions, which becomes an interface so that gold and copper miners can see increased throughput, all of that. That requires us to go through a whole trial journey, right, where we are -- where -- we don't have case studies. There is resistance to doing a grinding media upgrade from forged to chrome, because where there is 0 process change, there is 0 equipment change, it just needs a forged process.

Then the lining conversation becomes a little more -- the challenge quotient increases a little more than just the grinding media conversation. And the good part is there is a whole trial journey, right? So where customers are -- where we are finding customers who are -- who have the most at risk from these issues, which is throughput drop and other things. And so we are in various phases of trials. And like you go into a trial, these are all uncharted projects.

There is learning, there is one more iteration. It could be a design iteration, it could be an alloy interface or it could be the whole solution that we have put together, which includes a few other elements, right? And all 3 put together is what makes it a little uncertain as far as time lines are concerned.

So the answer -- short answer is that our lining -- the whole lining solution that we have now put together, and which we are hoping allows us the breakthrough to sell linings plus grinding media together as a solution is going through very serious trial journey. This is in addition to doing work on the grinding media and the conversion, right, where we are saying -- So liners, we are trying to -- it's easy to fill the factory, and say I've got 30,000 tons more of linings.

But if that is not part of the solution and I'm just doing what the incumbent is doing, that does not further my goal, right? The goal is not to sell 30,000 tons of more liners and make INR200 crores of more profit. The idea is to sell 100,000 tons of liners plus grinding media as a solution and bring disproportionate benefit. And all of that happens as part of the solution. So that's the medium-term to long-term strategy.

And as part of that, all I have to report is that we are undergoing various trials. We are hoping some which have done well, where we are going to Stage 2, then some where we may have a redesign or a reintervention in one of the 3 things that I said, and the others awaiting either trial, time line or production or supply. So it's within the trial stage as we speak.

Bhavini:

Sure. And then what -- if you could give us some indication in terms of the percentage of the volumes coming from miners, and -- basically, we have both the metal as well as the hybrid piece.

Sanjay Majmudar:

So Bhavin bhai, as I said, in reflect to a previous question that we are currently operating at a little lower than 50% of our rated installed capacity.

In fact, if you look at rubber and composite, that is a relatively newer capacity that we have created, this is blended. In fact, that particular capacity is still available even at a higher level. What we are trying to say that as soon as this ball mill-related trials are over, there could be a significant uptake in the volumes of liners, which will also drive my grinding media. That is the whole story. You get my point.

Focus is now on value creation rather than just pushing the volume of grinding media. And grinding media pushing is an incidental benefit I will get because of the uniqueness of the solution. So our approach for last 3,4 quarter, we have done this renewed strategy for which we are working very hard. Enough capacity is available. If I have to ramp up, I can easily ramp up further without any difficulty.

Today, it is not a question of capacity utilization. Today is a question of getting that significant breakthroughs, which once that happens, things can turn around dramatically. That's all I think we will say at this point in time. Let's --please give us some more time.

Bhavini:

Got it. No. So the other part is -- and please correct me if I'm wrong, South America is the larger producer of the copper globally. And to our understanding, and please correct me, 40% of the end market for grinding media and liners is the South America market, where we have a negligible presence as we speak. And we have got some breakthrough over there.

Now in case we are successful, which we are, then given that the size of the market that is, we will quickly be running short of the capacity. So is that something that is there at the back of the mind that maybe some land, et cetera, has already been acquired, and we can quickly ramp up? This is the best case, while we have -- the last 4 years has been difficult, we understand. But do we also have the ability to pick up very fast in case the South America goes well for us?

Sanjay Majmudar: I think so. The thing is that with the work that we have done for China and Ghana, right, which is modular plants, a lot of that is quick setup. I -- As we speak, I think our capacity to set up production facilities is reasonably there. Plus we have our plants in Bangalore and Trichy that we can ramp up and put together. So I don't think capacity is going to be a constraint at all.

If you are seeing next 50, 70, we will not wait to get to 400, before we start thinking of a new plant, right? In fact, the day we cross 300,000, 330,000 tons, by the time the next 100 comes, we'll have the additional capacity up and about.

So absolutely, we are -- customers, in fact, want to make sure that we've got the capacity that any interruption does not make them suffer around it. So yes, we think about it. And there is a reasonable plan in place to not -- if that good outcome happens, we will -- it will not be because of the lack of capacity that we fall short.

Moderator: The next question is from the line of Varun Jain from Dolat Capital.

Varun Jain: So just piggybacking on the previous questioner's question. Sir, who is your biggest competitor in this mill liner business?

Sanjay Majmudar: Yes, there are 3 or 4 incumbents. There is Elecmetal, there is Bradken, and there's a OEM called Metso and then there is one more company from Indonesia. There are 4 incumbents who do mill linings, but these are all conventional. So there there's no design element. It is just using the design or the spec that came with the mill whenever it must have been installed.

Varun Jain: Okay. And sir, in this, there is no -- like in your grinding media business, you are trying to convert them from, say, forged to high chrome. Here, you are not -- you are supplying metal to metal, composite to composite like that. There is no conversion element in the mill liner business, if I'm understanding it right?

Kunal Shah: There is -- so conversion is not in the alloy side, while that could also be part of the conversation, we are doing our own design. So the conversion, in a way is where we are moving from whatever is the incumbent design to our design. And when I say our design, it also includes certain other elements that together become a solution.

So there is a conversion element if you will -- which is where someone uses a new element from what they are using currently. So I don't know if you want to call that conversion or not, but we are not per se doing incumbent design and just producing them and supplying that. So whatever work that we look to do will be our design product.

Varun Jain: But the metallurgy is not what you are targeting for the mill liner, right?

Kunal Shah: Generally not. Generally not. No. It is also part of the conversation, but that's not what we are leaning with. In -- You're right, in grinding media, our main stay is to move from forged to chrome, which is a metallurgy conversation. There are other elements. Metallurgy could be one of them.

- Varun Jain:** Got it. Got it. And sir, just 2 housekeeping questions. So one is on this U.S. piece. So with the tariffs and all, have you seen any customer drop off?
- Kunal Shah:** It continues as is, but it's a punishing duty. But for now, the customers are paying and importing the product. Not sure what it means going forward.
- Varun Jain:** No, sir. I mean it's very commendable that with such high tariffs also they are -- if there's no customer drop off, really shows that your product is very hard to replace for them. And just last question, sir, FY '27, I think in the last quarter con call you had said that you will expect to get back to that 25,000, 30,000 MT volume run rate. So for FY '27-'28, can we build that in, can -- that much?
- Sanjay Majmudar:** I think so at this point in time. But the bigger issue is not this 25,000, 30,000 tons. The bigger issue is how much we can do as a market share the way we have done in cement, and how we can grow on a medium to long-term. So one is, of course, this year looks flat. But over the last couple of years, we have been struggling on various fronts.
- So now this novel solution and the novel package that we are offering, we are looking at something very, very different, radically different than this run rate of 25,000, 30,000 that we are talking about. So I think, yes, that much we are not really worried about that 25,000, 30,000. What we are looking at is something very, very radically different. That's what we are trying to say.
- Moderator:** The next question is from the line of Vaibhav Shah from Equirus Securities.
- Vaibhav Shah:** So my first question is on the Chile order. So could you clarify whether the offtake has already been started or is yet to begin? Also, how should we think about the likelihood of this order converting into recurring basis, post the completion of this offtake?
- Sanjay Majmudar:** Yes, yes. So we have started supply. So Q3 includes supplies to Chile. And of course, it's over 18 months. So that way it will continue, and we are pretty confident that it should continue on a recurring basis.
- Vaibhav Shah:** Okay. Second question is on, since this is only a grinding media order, so are we also doing trials or discussion with them to expand into package solution going forward? And apart from this, the anticipated 2 or 3 orders in the next 2 quarters, so would they only be grinding media or will it be a package solution?
- Kunal Shah:** There is no guidance. There is no 2 or 3. I think these are all -- it ultimately gets down to some numbers. Unfortunately, you'll have to pardon us for -- what we are saying is for liners, we are in various stages of trials, right? And for grinding media, again, similar but a different trial journey that goes along, but that includes other discussions around visibility of shipping, costs of shipping, and overall resistance to what is happening.

So the Chilean customer, today we are focused on the grinding media bit. We're not trying to get into the solution conversation, because the grinding media has its own pathway, right, which is a little different than the solution pathway, right?

So -- and once one becomes successful and becomes tried and tested, then we'll have more strategies depending on what is the pain area at the customer. For now, I think the input is more on what we are doing from our side than to give any color on one client, 2 projects, what happens in next 6 months. We really have very little to say about it, and we'll share as those developments happen.

Moderator:

The next question is from the line of Ravi Swaminathan from Avendus Spark.

Ravi Swaminathan:

My first question is, sir, with respect to the current significant rally in gold and copper prices, some of our existing large clients related to gold and copper, are they coming back to you, discussing about increasing the mining output so that in one way, supply is catching up to the rally in these commodities?

Is that happening, something that are you seeing where the customers are saying -- coming back to the drawing board, and saying we want to increase supply. So therefore, you need to supply more grinding media? Is that something which is happening?

Kunal Shah:

Ravi, this conversation -- the shortage and the problem is what we are seeing from 3 years. It's reflected in this high rally and it's become public news today, right? This is exactly what we've been saying is the top issue for a miner, for a copper miner, forget the rally and the financial consequence of it.

Like I said in my opening remarks, the world has mined 700 million tons of copper in all its mining history, right, which is all the wires and other things that we have. If the copper consumption grows only at 3%, which is normal world growth rate, you will need another 700 million in next 18 years, okay?

Now you add that with AIA and your data centers, the amount of copper used in a data center is madness, then you have all the transmission for the renewal that comes in, renewables, and all your electronic device consumption, if all of that is growing, there is no copper coming up. There is limited mines coming up, right? New mines take 7, 8, 10 years to come along. They are all in ecologically sensitive environment. There are political issues.

In that sense, there is a clear and present danger that the world cannot produce enough copper. Now, something else will come along, demand goes down, all of these things we don't understand. But the mine -- new mines are not coming up, and the same mine is not able to produce the same volume they did last year. So even before the rally, this was a problem for the miners, because whoever is in the mining space saw the writing on the wall. You get it?

So to that extent, it is a clear and present danger. That does not mean that they are saying -- dropping all their anxiety or the concerns around the new solution and saying let's just try. They

will apply their normal due diligence and protection measures to contain the risk out of this solution. But whoever we are talking to is absolutely very interested and fearful of making a change. And that's the dichotomy that we'll have to live with, right?

Sanjay Majmudar: So just to add, Ravi, very important aspect of our solution is the fact that if you look at the key mines where we are working, some of the major ones, we can't name them, they have a history of last 3 years where, because of the depleting quality of the ore, their output is, in fact, going down rather than going up.

One of our value propositions is that if you use our solution, without incurring major capex, we will be able to improve your throughput, and therefore, allow you to maintain your output. Majorly when they cater new and mine new, if they get any new lease, so we will be there as a part of the long-term solution. But currently, it is helping them solve this key concern, and helping them reduce their cost and improving their throughput is what our focus.

Ravi Swaminathan: Understood. And sir, second question with respect to the volumes that we had lost, some -- close to around 40,000, 50,000 tons related to the geographies over the past 5, 6 years, that is South Africa, Canada and Brazil due to the duties, et cetera. How much of it would we have recovered? And how much more potential is there in terms of recovery?

Kunal Shah: How much more potential for...?

Ravi Swaminathan: No, no, the volumes that we have lost in South Africa, et cetera.

Sanjay Majmudar: There is no recovery in South Africa at this point of time.

Kunal Shah: I mean, listen, these are all protective measures. That's not -- it's a little speculative to imagine regime changes, duty changes. It is what it is. We have to move forward from here, and focus on what we can action on. I mean, any recovery of volume is linked to changes in duty structures, and that's something that I think are here to stay.

So, I mean, we have stopped agonizing and speculating on when it will happen. We have to create a solution that will survive even that. I think that's the message that we are internally taking away and working on.

Ravi Swaminathan: Okay. So out of that 50,000 tons of lost volumes, not much would have been recovered is the way we should look at...?

Kunal Shah: No, no, no. The total volume lost would be in excess of 75,000, 80,000 tons. We would have been -- was there no duty protectionist measures that the world has put up over the last 5, 7 years, that 80,000 tons of volume is overall that we have lost on duty measures. So that's what it is.

Ravi Swaminathan: Understood sir.

Kunal Shah: I'm only happy to report that my profits have gone from INR600 crores to INR1,100 crores, despite losing 30% of my volume.

Sanjay Majmudar: No, we have gained elsewhere no. There is a replacement, compensation.

Ravi Swaminathan: Compensation in the sense, you're talking about volume...

Sanjay Majmudar: See, 60,000, 70,000 tons of volume loss is replaced by the new mines or the additional orders that we have got, that is how we have maintained a flat trajectory or a marginal growth. You get my point? That's what I was trying to hint at.

Ravi Swaminathan: Understood. But the steady cut in duties that we have seen in certain countries like Brazil, et cetera, has this helped in you able to negotiate with the client and tell that please get back the -- please give back the volumes. Has that happened?

Kunal Shah: Not really. I think, like I said, let's -- for wherever there is duty, let the country be, right? That's something that there's enough for us to continue where some of these barriers are lower, and we continue to work with that.

Even in duty impacted areas, if my solution can prevail. But would I rather work on where there is -- the duty barrier is lower, where there is an opportunity or should I go to the last bastion where there is an additional challenge for a duty cost impact, right?

Ravi Swaminathan: Understood sir. Got it.

Moderator: The next question is from SP from AB & Company.

SP: Sir, we have a subsidiary by the name Welcast Steels. So what is the future of that company, considering that the plant is closed now?

Sanjay Majmudar: No sir. See, we have closed that plant, and we have also made disclosures on the Stock Exchanges. The reason is it was a fairly old plant, and we had created significant alternate capacities in our Ahmedabad facility. Correct? So it was not viable for us to invest heavily into that plant and to make it operational, and therefore, we have closed it.

So closure of that plant at this point in time, there is no plan to reopen it. So you can treat that particular thing as done and dusted. Having said that, today -- and if you remember couple of times, we tried to delist Welcast also being a listed company, but it could not be successfully done. So right now, currently, we have reduced all the operational expenses to the bare minimum. And we will see as we move forward how to deal with it.

SP: Sir, why was the subsidiary acquired in the first instance...

Sanjay Majmudar: No. That was done before 25 years. When we did not have adequate capacity, we had acquired it even before AIA started setting up expansion projects in Moraiya and Kerala. You get my point? So this is the history. Welcast was with me even before AIA went public.

SP: Okay. All the best, sir.

Sanjay Majmudar: It was when we severed our relationship, and we severed the JV, and we wanted some capacities quickly for southern markets. We got this opportunity as a listed company, previously owned by Times of India family. It's a long history, sir.

Unknown :: Okay. And all the best. Yes.

Moderator: As there are no further questions from the participants, I would now hand the conference over to the Management for the closing comments. Over to you, sir.

Kunal Shah: Yes. Thank you so much. As always, Sanjay Bhai and I remain for any follow-on questions offline. Wish you a very good evening -- rest of the evening, and look to connect with you at the end of our fourth quarter numbers. Thank you.

Sanjay Majmudar: Thank you.

Moderator: Thank you. On behalf of AIA Engineering Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.