



AIA Engineering Limited

February 9, 2024

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 February 7, 2024

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 Wednesday, February 7, 2024 to discuss the Unaudited Financial Results and performance of the Company for the Quarter/Nine Months ended 31st December, 2023.

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 Post Results Conference
Call”**

February 07, 2024

**MANAGEMENT: MR. KUNAL D. SHAH – AIA ENGINEERING LIMITED
MR. SANJAY S. MAJMUDAR – AIA ENGINEERING
LIMITED**

Moderator: Good evening, ladies and gentlemen. Thank you for standing by. This is Lizanne, the moderator, for your call today.

Welcome to the post results conference call of AIA Engineering Limited. We have with us today the management team of AIA Engineering Limited. At this moment, all participant lines are in the listen only mode. Later we will conduct a question and answer at that time. If you have a question, you may please press '*' and '1' on your telephone.

I would now like to turn the conference over to the AIA engineering management team. Thank you and over to you sir.

Kunal Shah: Thank you so much. Very warm welcome to everyone. This is Kunal and as usual I also have Sanjay bhai here with me. I will start with a quick rundown on numbers for this quarter and then We will get on to Q&A.

I think this was a steady quarter nothing exceptional to report on any metrics. We produced 82,000 tons, sold 74,000 tons which brought our nine-month sales to about 225,000 tons. We target to be closer to 300 for the full year up from 291 for full year last year. So overall about a 10,000 tons growth. We expect between. We have done about 8,000 tons in nine months and a little more as the year closes. Rest of the numbers are in line with Q3, Q2.

One change has been our realization which has dropped from 165 to about 154 and largely because of product mix. We keep talking about product mix, two aspects of it, one is grinding media versus non grinding media and the alloys that we sell in each of these categories—we do 11% chrome to 30% chrome—and that generally influences the realization. So, the 74,000 tons out of 154 realization translated to 1,146 crores of sales leading to an EBITDA of 395 crores as compared to 444 crores in sequential second quarter and 483 crores in the 3rd Quarter last year. EBITDA at 33.79%, almost comparable to second quarter EBITDA which was at 34.32 and a profit after tax of 279 crores.

Moving on; similar export benefits our treasury income is comparable to previous periods. We had some foreign exchange gain this quarter about 17.40 crores. So total other income at 83 crores. Our working capital again largely in sync. We have had some increase in WIP and SG but that's more accounting related which is stock in transit. Otherwise working capital continues to be at par with previous periods, around 90 days. This quarter is about 100 but overall, 90 days of working capital.

From a sales standpoint, we have done of the 74,000 tons 53,395 in the mining segment and non-mining is 20745. Nine-month mining is at 158,000 tons and up from 144 in nine months last year. So, it's a nice 15,000 growth as far as mining is concerned. Our non-mining has shrunk by about 6,000 tons. I think nothing exceptional. It's a timing issue more than anything else. In the previous period we had with some OE orders that materialized in that period but nothing material to report for that period.

Total CAPEX for this year is at 146 crores. We had identified 600 crores of total CAPEX, of which 500 crores of total CAPEX of which 200 crores was to go into the grinding media plant which we are on track. It's in the stage of installation or being set up. We hope to commission it between December '24 and March '25. And total cost for that plant will be 200 crores. We are also spending 200 crores on various debottlenecking efforts. We are buying land; we are setting up some warehouses etc. to support the whole operation and 100 crores towards renewable. So, all put together we are at about 500 and of which We have spent 146 crores in nine months this year and another 50 crores approximately till the end of the year. So, We will be at 200 for the full year. We have also transferred money towards the purchase of shares in the Australian company called MPS, we now have a 30% stake and we transferred money for that at 43 crores. So, there's a total outflow of 186 crores for non-OPEX reasons.

Our net cash for the period is at 3,100 crores odd. I think overall as far as business is concerned, the two paradoxes, one is from a business standpoint I don't think We have been more excited or better situated for the opportunity in front of us. Right from our balance sheet, our excess capacity on the ground, our network and team in place and the solutions that we have for the customers and the opportunity largely the 2.5-million-ton forged grinding media market which We are looking to convert to high chrome. At the same time, we recognize, and We have spoken about it in previous quarters about the challenges that, we have to overcome to convert. A lot of that is linked to customers mindset, customers perception of risk when one changes from forge to chrome and it's taking longer than longer than we have imagined which is where we were hoping to be at 320,000 tons at least We will be falling short this year. We continue with our overall I wouldn't say a guidance but at least an indicative direction of saying 25,000-30,000 tons each year we are looking to add. But it's contingent on a lot of these conversions coming into play and We have got customers or prospects where each customer can give 20,000-25,000 tons to customers who are between 5,000 and 10,000 tons. There is an uncertainty around timeline and we are doing all we can and hoping that a lot of that opportunity materializes soon enough.

Macro, from a mining environment, I think our solutions have a deep opportunity just because we are improving operational parameters for the customer and especially at a time when the head grades of copper are falling and plants need to run at optimal utilization. I think our products feed into that and reducing operational costs which is power, wear cost for mill internals, reagent cost etc. I think overall we remain very excited about the opportunity at the same time like I said it's taking a little longer to convert and we hope to share better news as we move forward.

Before we get into Q&A maybe Sanjay bhai can share a quick update and then we can get into.

Sanjay Majmudar:

Good afternoon to all. Thank you very much Kunal. I think Kunal has covered most of the points, most important point being the fact that we continue to remain completely committed and focused on the conversion opportunities. As I had indicated in the previous call, it is likely to take a little more time and therefore we see this year getting flattish maybe a very marginal growth of 8,000 to 10,000 tons in sales as compared to last year. But we should continue

seeing good traction in the coming years. But having said that, the process is arduous long but we remain very excited about it and we are quite confident that eventually it is just a matter of time and all our efforts are completely in the right direction and we do hope to share some more exciting things as we move ahead and we achieve those goals.

I think even on the CAPEX We have done about 146 crores. We have done target another 150 odd crores in the current fiscal and then another about 200 odd crores in '24-25. So, all those expansion projects are on stream.

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

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is on the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question is, is there an impact of freight cost in this particular quarter? Are you seeing that the freight cost has jumped substantially in the quarter because of Red Sea? Does that impact does it impact the Q4 also?

Kunal Shah: Good question. I think I should have added that in the starting commentary. This quarter We have not seen, the current P&L for Q3 does not reflect the increased freight cost. But surely going forward there will be a freight cost increase which has surely come along because of the Red Sea insurgency. But as a concept, most of it is a pass through or most of it would be the effort would be to pass it on. We are also on a wait and watch basis right now, hoping that this is temporary and it's just something that doesn't require us to engage with the customer. So, while we remain on wait and watch there will be some costs that We will have to eat in the short term. But if we find these costs to be stickier and looking that it persists, it will be absolutely passed on like we did in the '21-22 phase where shipping went up by 3x to 5x.

Mohit Kumar: My second question is on the non-mining sector. The volume has been declined in last nine months. Does it mean that there's some weakness in the cement industry which is percolating to a weakness in volumes? It looks like FY24 there'll be decline in the overall volume YOY for the entire fiscal.

Kunal Shah: Not really, that's why when non mining was a little higher, we kept explaining that if there is this smaller term shorter term demand that probably came in. See a lot of our solutions for cement also have much longer wear life. So, our castings for example where mining liner their average life could be 3 to 6 months. A tube mill liner for cement could be 5 years, 7 years sometimes even 10 years. And same thing for vertical mill parts that we sell to cement and thermal power business. So, there was some amount of cement, some amount of I would say a little backlog that came in from that didn't get processed in 2021. Companies saying let's keep surplus capacity and maybe added some bit of it, more than anything structural. Our guidance what we have seen over last 5 years is non mining is around 80,000 to 90,000 tons and we expect that to continue at that level. Now We have gone to 100 but I think 80 to 90 is a fair figure to consider when plotting the non-mining business.

- Moderator:** We will move on to the next question, that is in the line of Karan Gupta from Capri Capital.
- Karan Gupta:** Can you throw some light on your capital allocation policy going forward with 3,100 crores of net cash that seems to be a sizable amount, what are your needs going to be and are you working on some policy of returning capital to shareholders?
- Sanjay Majmudar:** We are following a little conservative policy right now. As you would be aware yes, we are growing. There are a lot of opportunities that are coming. So, we are constantly doing CAPEX. About average run rate of 200-250 crores a year plus incremental working capital. My working capital gross is a little longer, net is about 100 days. But I have to invest significantly in that. Having said that we have comfortable cash. We believe that there could be some opportunities which might warrant us to deploy some unexpected cash. Therefore, what we have internally decided that till we reach a particular level of penetration in the overall global mining space of at least a sale of 300,000 to 350,000 to about close to 40,0000 tons we will have to continuously incur CAPEX and we might want to have an opportunity to look at any inorganic possibility. Therefore, we are maintaining a little higher cash. We are consciously reviewing it every quarter and we will therefore take an appropriate call. But not in immediate future, not at least for next 1 year.
- Karan Gupta:** Has there ever been any thought of maybe using some leverage on the balance sheet if at all?
- Sanjay Majmudar:** We are using to a significant extent our export packing credit limit to the extent of about 400 to 450 crores where there is an interest subvention. Effectively in rupee terms the rate of interest goes down to around just in the range of about 5%, 5.7%. We don't have any term loans. We don't need any term loans. We have enough cash on the books. But except for that there is no need for any leverage at this point in time.
- Moderator:** The next question is on the line of Amit Awani from PL Capital.
- Amit Awani:** My first question is on just to reconfirm the CAPEX, we used to talk about 5,40,000, that is on track, 50,000 for grinding unit?
- Kunal Shah:** Very much.
- Sanjay Majmudar:** We are already at 440 and another 80,000 tons plus another 20,000 odd tons. So, it will be 540.
- Amit Awani:** So just wanted to understand, on mill liner we started the journey 4-5 years back. What is the traction which we are developing? So, we talked about Australian market and few other markets with value added products on mill liner. Just wanted to understand, are we on track and what is happening on the mill liner now?
- Sanjay Majmudar:** We are very much on track and we remain rather quite excited about the opportunities which are unfolding. So that is the reason why in order to strengthen our design and market acquisition portfolio, we have acquired this stake in this Australian company MPS which are experts in complementary mill lining designs apart from the other available patented design

that we have. We see this as a very good opportunity. We are currently at a run rate of around 30,000 odd tons of mill liners already on annual basis. We continue to—I would say that it is very important development in our long-term strategic planning to—take a major conversion possibility because that goes as a line item when we overall approach any mine, we talk of mill liners, we talk of grinding media and then we also talk of the beneficiation benefits. So, grinding and beneficiation are our focused areas and mill liner is exactly panning out the way we have anticipated.

Amit Awani:

My second question is on as you highlighted, that there's a delay happening with respect to conversion because of the acceptability by the customers. I can see almost from past 7-8 years, so earlier because of the anti-dumping across 2-3 geographies and Covid and then now we were on track and doing capacity. But again, this year we are missing majorly. So past 9 years we have never added more than 25,000-30,000 incremental, I think just two-three instances. So, any change in strategy because again this year also we targeted (+25,000) addition and we are going to be flattish and we are doing so much CAPEX. Any read through or any change in basis you understand the problem that their receptibility is leading to delays in incremental volumes. Just wanted to understand the thought on that.

Sanjay Majmudar:

Of course, I've been quite repetitive on this issue and I will once again slightly elaborate. So, the process is extremely long and time consuming. Again, it is not possible to exactly predict how it happens. So let me give you an example. Today we are working in almost all leading geographies and we are working with almost all known or even relatively unknown names in mining space with focus on copper and gold being the driving force and of course iron are also happening. The problem is these mines are very large, they are highly bureaucratic organizations. Earlier I must be very honest with you, what was the situation prevailing before 9 years and today is considerably and totally different in the sense that we have also climbed up our learning curve. We have now understood how the mining overall operates, what are their expectations, what are the threats and potential opportunities both. We have significantly strengthened our knowledge base by doing a lot of research on the DP or the down process that is the beneficiation process. Plus, these extraordinary tie-ups that we have done on the mill liner unique designs plus significant strengthening and training of our teams. So, all these things have happened. Having said that as Kunal explained on a structural standpoint, if we look at the opportunity landscape and where we are positioned, we are extremely excited and we continue to remain excited and focused on the process. There is nothing that we see as something as a major deterrent which forces me to change my direction or my strategy. As I explained on the previous call also, this year we had predicted that the conversion pace or the time that is taking is more. Certain very important minds with extraordinary opportunities are also in the process of being developed and the only thing is the time. I don't think that you should very honestly read anything negative. But the reality is that yes, it is a time-consuming process, it is unpredictable but we are on track. If you look at the overall opportunity landscape vis-à-vis where we are positioned. On a medium to long term scenario, we will hopefully definitely be in a position to talk about higher numbers. But at this point in time, we are conservatively saying definite possibility of around 25,000-30,000 odd tons incremental volume growth in the coming year.

Amit Awani: Lastly on the overall conversion market, roughly about 2.5 million ton. I recollect I think we used to highlight 2 million. So just wanted to clarify and second thing is the competition doing better than us in the sense that the overall global conversions has been at the faster pace compared to AIA conversions of customers?

Sanjay Majmudar: No, I really don't get what you are saying but can you repeat your question?

Amit Awani: So, one is we highlighted 2.5 million ton of conversion from forge to high chrome. So, just wanted to understand that the overall conversion versus AIA which is facing delays, the overall global conversion is it faster than...?

Kunal Shah: So, the point is that we are the only ones leading the whole charge towards conversion from forge to chrome.

Amit Awani: How about Magotteaux? Is it not into this?

Kunal Shah: Yes, they are also working on it. So, between us a lot of that conversion is happening. We are not sure of how much surplus capacity they have in other things. They're not a public company so, we don't have access to that information. But I would imagine as we understand, a lot of that conversions right now for conversion because what we are offering is a whole suite of products which is we are saying We will take responsibility for the grinding circuit which is mill liners and grinding media for the grinding mill. So, the conversation is very different. The conversation is not to say you're using our product and I'll just give you the same product at a cheaper price which is your general export, India export story. What we are saying is that a lot of our intervention is adding to disproportionate savings for the customers. That requires them to at least adapt to a different solution, get used to a new supplier the products. So, all of that I think what's taking time is just getting used to that there is this whole change management process. I don't think there is anyone else doing conversion to chrome really besides us given this context.

Amit Awani: So just to add, what you feel would have been the conversion rate right now out of 2.5 million tons forged to high chrome?

Kunal Shah: I think 0.5 million ton is being serviced by chrome as we speak.

Moderator: The next question is in the line of Swati Jhunjunwala from BOB Capital.

Swati Jhunjunwala: My question is on the volume. This year we have missed the volume addition mark by 30,000 additions in FY24. For FY25 when we are seeing 30,000 tons incremental addition, does this include the 10,000 to 15,000 that we have missed this year or is that over and above that?

Kunal Shah: I'll just share the context again; we are not chasing a funnel where you make four and one converts. That's the metric when you're saying the backlog adds up or not. Our expectation or rather our hope and our effort is to do much more than that. It's just that there is uncertainty linked to when that conversion will happen, how long that will take and which is where

because everyone keeps asking us how to model and what to use 25-30 is just an indicative figure. It's not coming out of a funnel, conversation saying here's what we are doing and here's what and hence the backlog gets added. I mean it is where what we have missed this year is not, the opportunity remains, the effort remains. It's a fair chance. I do more than that but there's a fair chance it takes longer and that's just the nature of our business right now.

Moderator: The next question is on the line of Rohit Singh from Invent Analytics.

Rohit Singh: My question is on the margin side and the realization side. What is the outlook for the current quarter in the terms of margins and the realizations?

Kunal Shah: I think margin We have discussed enough times where our guidance. We are not giving a margin guidance but we are saying that our business will do enough to do a 20%-22% margin. We have done better but we are not sharing a precise quarterly margin guidance. As far as our realization is concerned, we expect it to be between 150 and 160 depending on the product mix.

Rohit Singh: In last quarter you mentioned the dip of 300 to 400 bps. So, in that manner I was asking, is there any further downward estimate of the margins? That is what I was asking for.

Kunal Shah: From current levels, there could be a further adjustment because of the freight that's increased. So near term, there is a likely increase in freight costs because of the Red Sea turbulence but longer term, medium term rather if that is sticky it will get passed through but on a longer-term basis. So longer term basis our margin guidance remains at 20%-22%.

Rohit Singh: I joined the con-call a bit later. So, what is the guidance of volume for FY24?

Sanjay Majmudar: As we explained actually our target is about 25,000 to 30,000 tons for FY24-25. We have shared the details that yes there are a lot of mines on which we are working. This volume could be a little higher but we remain conservative and this is about 25,000 to 30,000 tons. That's what we have seen as a target.

Rohit Singh: For FY24?

Sanjay Majmudar: '24-25. '24 if you go by the same run rate, we should be around 30,000 tons sales.

Moderator: The next question is on the line of Anirud Shetty from Solidarity Advisors Private Limited.

Anirud Shetty: Just one question from my end. In the past you have mentioned that copper and gold are opportunities that could do better than the others in terms of growth. In the industry, the overall industry, the 2.5-million-ton market and for our business what would the share be from gold and copper respectively?

Sanjay Majmudar: It is almost equal. Again, in terms of opportunity we are equally focused on iron ore. What we said was that copper and gold are the current areas of focus given the fact that we should be able to demonstrate the strong benefits that we are offering on the table. Again, we don't share

the industry segment-wise volumes but you can broadly say that between the three more or less they are equal.

Anirud Shetty: Would that be true for us as well, in our volume mix are we more or less equal across these three?

Sanjay Majmudar: Yes, I think so.

Moderator: The next question is from the line of Chirag from Centrum Broking.

Chirag: The question was on mill liners. So just to clarify you mentioned that 30,000 metric ton would be approximately the mill liners volume. That is for this year, correct FY24?

Sanjay Majmudar: Yes.

Chirag: We had put up a plan to 50,000 metric ton.

Sanjay Majmudar: I just want to clarify; we are also manufacturing mill liners in certain other multipurpose facilities. So, this is the combined figure I have given you. 27 to 30, it's a range actually.

Chirag: 27 to 30?

Sanjay Majmudar: Yes, this year, that's what the expectation is.

Chirag: 30,000 metric ton the new greenfield plant that we have, plus what would be the capacity of the other mill liners that we have in other plant?

Sanjay Majmudar: When we are talking of a multipurpose plant, there we can manufacture these mining mill liners.

Kunal Shah: The total capacity will be about 70,000 tons all put together for mill liners. We can do more but because the plant is also used for other products you can consider total 70.

Chirag: So basically at least for the next 2-3 years we would not be looking at further expansion of this new mill liner plant, correct?

Kunal Shah: Correct, no.

Chirag: And this volume of 3 lakh metric ton this year and possibly 25,000 to 30,000 metric ton capacity addition for FY25 that you are likely to do. So that includes this incremental opportunity of mill liner, correct?

Sanjay Majmudar: Yes, of course.

- Chirag:** And is it possible to broadly mention that how much mill liner would be more profitable compared to the chrome media?
- Kunal Shah:** That product wise profitability is difficult to discuss but every product has its own profit profile. But you'll have to look at it in a totality because I can't do just one. It's a whole set of internals that we sell and there's only so much casting I can sell or liners I can sell in sync with grinding media. So, you'll have to look at it at the whole pool together.
- Chirag:** And on this Australian company where we have taken 30% stake. So here eventually what is the business plan? Eventually We will be taking over the entire company or they are going to be our partner?
- Sanjay Majmudar:** We want to eventually take up a majority stake. But we will not take over the entire company. The current set of people who are experts, they will continue the operating team. We are not going to disturb. They will continue the operations. We are only adding strategic as well as marketing related inputs. We will be taking up a majority. That's the plan.
- Chirag:** So, their mill liners are of different material than ours or is it similar product?
- Sanjay Majmudar:** No. So there are different categories of mill liners. This is a complementary design capability that we are increasing. They do have a set of customers who are also using those designs and manufacturing complementary types of liners. It's a little complicated but yes, it complements, and it strengthens our portfolio of aggressively marketing mill liners in this mining segment.
- Chirag:** What would be the global addressable market be of mill liners?
- Sanjay Majmudar:** In my view what we are totally, currently manufacturing the metal liner part is about 300,000 tons.
- Chirag:** And the one that this Australian company makes?
- Sanjay Majmudar:** It's a part of it. They are not making liners mind you. They don't have any manufacturing capacity.
- Kunal Shah:** They're a design and service company and which have access to the market. There's IP and there's access to the market that they have.
- Moderator:** The next question is on the line of Anupam Gupta from IIFL.
- Anupam Gupta:** Firstly, on mining where you said that the timelines to convert is relatively uncertain. Can you give us some idea of what sort of potential volumes are under trial at this point of time in terms of customers or any sort of color there?
- Kunal Shah:** Specifically higher quantity. The learning is that it will take time just because of the nature of the market, the conservatism all the things that we have said. Like I said that's the paradox, that

we feel the most confident about a product. But there's a natural law that we can't inviolate. That's something that We will have to respect the time that customers take to warm up to it and say now I'm ready to migrate is something that We will have to, that's the nurture part of the market that We will have to participate in. There are customers which is 25,000-30,000 tons at each level. If to such convert will be a 50,000-ton conversion. It's just that till I don't do it there's no point in speaking about it. The proof of the pudding is having it. To that extent we are just keeping it at because there's no point in me saying this much and then trying to explain why it didn't happen. The fact is we are saying it as is which is there's uncertainty linked to the timing of when and how that conversion will happen. We will try and share as much more color as we can going forward.

Anupam Gupta: Just to clarify let's say will this be more in geographies where we have lesser presence, Peru or Chile where we are trying to enter?

Kunal Shah: Today we are ready to set up even further to. We cannot afford to stay in one and not in the other on any metrics. So, whether we are in a market or not in a market we are making efforts across the board to go penetrate. There are different stages with each of these customers. I don't think it's geography linked as much as where the company is and what stage it is and what is their priority. How do they look at the whole change management process. So, it's a little more nuanced than trying to say one geography or one. I understand where you're coming from but unfortunately, I don't have an objective answer to this.

Sanjay Majmudar: The only thing to add what Kunal I think, you may take it like this. We are present in all important geographies where significant mining is happening.

Anupam Gupta: And one question on the non-mining volumes. They have been at this 90 KT levels for some time now. Although domestic market, cement market has also grown, domestic thermal coal market has also grown and CAPEX has also happened. Anything why is the relation not happening there?

Sanjay Majmudar: I'll tell you. As Kunal explained one mine location could offer a 25,000-30,000-ton opportunity, one mine, single mine or even more. Our entire country cement, even at present high level of production is being serviced on a volume of 27,000-28,000 tons. So, the requirement per ton of cement produce is minuscule as compared to mining. That is point number one. Therefore, even though the cement production may grow say by 10%-15%, my volume growth will be from 25,000 tons or 27,000 tons to maybe—again initial supply versus replacement, so all this cycle so—we continue to enjoy a (+95%) market share in cement in India. We have never lost any customer so far. Globally we are in more than 130 countries in cement, still globally we are talking of a 70,000-75,000-ton supply, ex China 35% market share. So, the market itself is small although growing. So that the incremental volume impact is absolutely insignificant. Same is thermal, thermal correct. But the growth in thermal at present is not that much. The power is more focused on renewables. Whatever we are able to supply in thermal we are doing is 7,000-8,000-9,000-10,000 tons. That's about it. 500 tons here and there is no impact at all on the overall scheme of things.

Moderator: The next question is from the line of Pritesh Chheda from Lucky Investments.

Pritesh Chheda: The 50,000-ton liner capacity that you had added what is the utilization there currently?

Sanjay Majmudar: Currently overall is about 50%.

Pritesh Chheda: And the 4,40,000-ton total capacity that we have, what would be your guess in terms of the utilization of that how many years you take?

Sanjay Majmudar: I want to clarify two things. We don't share plant wise capacity utilization figures but overall, for castings including mining liners, the larger VSMS and other type of liners, overall utilization is in the range of 50% to 60% and that's about it.

Pritesh Chheda: I know that the 4,40,000 how you have on ground, how many years you will take to utilize that?

Sanjay Majmudar: Our internal target is that we can theoretically go up to 80%, our target is that we want to do it in 3 years. Now let us see. But this should not be taken as a guidance. Don't catch me.

Pritesh Chheda: No problem. 4,40,000, 80% utilization 3 years?

Sanjay Majmudar: Yes.

Kunal Shah: Operator, I think we are done with questions, so I think we can just wind down the call. Thank you everyone for joining and Sanjay bhai and I remain available offline for any further questions.

Sanjay Majmudar: Thank you and have a good evening.

Moderator: Thank you, members of the management team. Ladies and gentlemen, this concludes your conference for today. We thank you for your participation and for using Chorus Call Conferencing Services. You may please disconnect your lines now. Thank you and have a great evening.