AIA Engineering Limited

May 29, 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 May 26, 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 Tuesday, May 26, 2026 to discuss the Audited Financial Results and performance of the Company for the Quarter/Year ended 31st March, 2026.

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

Satyanarayan Chhogalal Jetheliya
Digitally signed by Satyanarayan Chhogalal Jetheliya
Date: 2026.05.29 16:57:49 +05'30'

AIA ENGINEERING LTD. AHMEDABAD 382415.

S. N. Jetheliya
Company Secretary

Encl.: As above

"AIA Engineering Limited
Post Results Conference Call"

May 26, 2026

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

Moderator: Good evening, ladies and gentlemen. Thank you for standing by. This is Darwin 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 are in the listen-only mode, later we will conduct a question and answer session at that time. If you have a question, you may press star and one.

I would now like to turn the conference over to AIA Engineering management team, Mr. Kunal Shah and Mr. Sanjay Majmudar. Thank you, and over to you, sir.

Kunal Shah: Thank you so much. A very warm welcome to all of you. This is Kunal and I have Sanjay bhai here with me on the call. I think this quarter is business as usual. There are a few highlights that I would like to discuss. But generally speaking, nothing of note that is different from all that we have spoken about last quarter.

I will start with a quick recap of numbers, and then we can get into Q&A. We've done 70,000 tons of sales for the quarter for a full year sales of 258,000 tons, largely flat from full year last year, which was 255,000 tons and compared to 68,000 odd tons in the fourth quarter last year. There is it has translated to INR1,251 crores of top line for the quarter. And INR4,355 crores for the full year.

EBITDA of INR502 crores for the quarter. And INR1,744 crores for the full year translating into a profit after tax of INR393 crores and a full year profit after tax of INR1,270 crores. This quarter, I think, has been the highest ever profit after tax EBITDA for the company and we are very happy to report numbers where in a period of serious macro uncertainty serious macro headwinds.

And this is -- a lot of these outcomes are linked to a lot of efforts that we are bringing to our customers ultimately to improve their operations, right? So that is one aspect of it. Of course, there is a benefit that accrued on account of currency. There is INR65 crores currency that's sitting in the EBITDA for this quarter and which is about 4% or 5% in EBITDA or operating margins coming from the currency as other income.

Of course, if the currency remains at this level, then it will translate into the rupee realization. So moving on our total other income for the quarter is INR132 crores and INR474 crores for the whole quarter -- for the whole year. INR15 crores comes from export benefits business as usual treasury income of INR67 crores, again linked to our treasury business as usual and a foreign exchange gain of INR65 crores, INR64.47 crores, which is linked to the rupee depreciation.

We also had a higher amount of sales of castings in this period. So the combination of the rupee weakening income on account of currency and the product mix has translated to a realization per kilogram of about INR178 for the quarter, but for the full year remains at INR165.

So I think the next set of questions would be what does this quarter mean? How do I apportion for the rest of the year? I think this quarter has this one-off in terms of currency and the product mix one can consider m as a business as usual realization for the full year. Moving on, I think

working capital at par with what we have done. Tonnage at 70 includes about 45 from mining and 25 from non-mining and for the year, INR258 crores about INR160 crores comes from mining and the rest comes from non-mining.

With that said, total cash -- net cash is about INR4,300 crores. We spent about INR130 crores on capex. This year, other than our investments in Ghana and China which as we speak are under paperwork approval procedures, there is no spend have done. I also do not have an estimate of how much we will spend on the plants because that depends on how much will be spend this year because as we speak, they are in I think, a WIP status as far as just getting everything else around it put together.

I hope in a quarter or two, I have more updates on what's going on with those two plants. But for other than capex that we may do in plants outside of India, for India, total outflow of between INR60 crores and INR100 crores on all sorts of maintenance capex that we need for our plants, balancing equipment upgradation, cost saving initiatives, etcetera and some investment to finish out our renewable portfolio.

After which I think we're going to spend about INR30 crores that's balance on that. The renewable about 60% of our power or 65% of our power once that comes online, which is by June or July will come from renewable sources. Of course, it's a cost saving, but it's also renewable footprint for our power resources.

So total, we don't expect more than between INR100 crores and INR150 crores of outflow on accounts of maintenance capex and the renewable balancing investment left for the renewable part. One important -- so from a market standpoint, the macro headwinds all of us are aware about. But just to reiterate, there is extreme uncertainty as far as global shipping is concerned.

There is -- just bizarre events happening where prices are volatile, availability is volatile and customers' anxiety around global shipping. So, shipping remains to be a proxy for global geopolitical uncertainty and hence, the shipping uncertainty and that plays a role where people are -- customers that migrate to our solution will be exposed to the global supply chain. That's something that we have to take in our stride.

We are hoping world will normalize, if not today in a few months' time, and it will get back to business as usual, but that is an impediment today. Other than that, there is where every country is going back to bringing borders on. We have seen duty measures. We've seen antidumping measures.

We've seen Trump and U.S. bringing measures to protect local industry. I think every country is going to look for their own interest cost. And to that extent, protection is measures are, I think, for us, a business as usual situation and we are creating strategies that allow us to grow on a sustainable basis, taking that in our stride.

One of the updates from a business standpoint, I think from a product and a solution standpoint is that a lot of people are asking us about what's happening on the market, what are we doing and we've been speaking about it. But we would like to share a little more color on a specific aspect of our solution engineering, which is linked to the discharge system.

So, when you have these grinding mills, you've got grinding media, you've got linings and then you've got linings at the discharge end. And that -- we are calling it new generation discharge system. That's part of our overall solution. But we had a big breakthrough last month where one of a very marquee customer we implemented our solution of the discharge system which is the linings and the solution linked to the discharge system.

And it brought in material benefits, which is throughput improvement power reduction. And in a larger-size mill where the operating conditions are significantly abusive in a sense of the amount of material that's being handled every hour and the kind of impact conditions inside. And over 2 years, we work with that customers gets sharpening and refining our solution, doing multiple rounds of supply. And finally, we've gotten that customer -- we've gotten that win for the customer, right? We've gotten that important unlock for that one customer in South America where all these benefits have accrued.

And that just reinforces the conversation that we were doing that as we progress to a solution offering, which is grinding media linings and when I say linings, it includes these solutions around discharge systems where there is a material benefit for the customer, which is throughput and which is an important problem at the mine site, which is where grade of ore is worsening in the metal output is falling, in which situation this unlock where better throughput actually solves that critical bottleneck for the customers.

We've gotten this important win. I will caveat it to say that this is -- it is in a direction. So a few quarters back, we spoke about our first customer where we got a 15,000 ton order for an important mine in South America. Now we've got a lining win where the proof of concept in terms of all that we have been speaking about has come through.

I think it is all moving in a direction where solutions that AIA is providing will have disproportionate benefit for the customer or rather play a role in solving the top 2 or 3 bottleneck, which is worsening ore grades, which is falling metal output, power consumption the saving in the power first footprint.

The recovery that comes from the copper or gold recovery that comes out from the ore, thanks to the down-process benefits. I think all of that is now coming together. And we are hoping these solutions ultimately allow for the unlock, which is for a larger quantity of orders as a combination of linings and dining media.

I still don't have an answer on what will happen. Please help us with not asking specifics on this quarter, next quarter or next year. I think there is a large market. 800,000 to 1 million ton market for gold and copper and all mines facing critical issues. And we have a solution that we allow -- that will allow them to unlock and allow them to overcome some of these critical issues and unlock growth for us.

So keeping that caveat in mind, we are happy to share this updates that there was an important win in terms of proof of concept of our solution. With that said, I will have Sanjay bhai share his comments from last few quarters and the Board meeting today, and then we'll get into Q&A.

Sanjay Majmudar: So, thank you, Kunal, and a very, very warm welcome to all of you and a very good evening to all of you. As Kunal explained, what has happened is, as you know, we have been over the last few calls talking about these trials that are going on in some very large mines. So the one that we have spoken about is a successful outcome of that one of the critical trials.

It is very important because that establishes the efficacy of the solution that we have been talking about in a very novel way, where I believe AIA is the only company in the world which is offering this solution for ball mills, apart from the segment solutions that we were offering earlier. And ball mill is an area of concern for all these mines. Two things: ore quality getting depleted, ore becoming harder.

So even for maintenance, particularly in the metal categories like gold and copper, this was very challenging. We believe today what we have now announced what Kunal has announced that this trial success has been sort of watched quite eagerly by large mines worldwide. And I think that can pave way for a systematic and long-term journey for AIA.

Of course, many challenges have been there over the last few quarters, people have been asking. But now with the solution being there, we felt it appropriate to at least share that this is what has happened, which is very encouraging. And internally, we remain very buoyant and confident about medium to long-term very, very strong growth prospects.

So, with this, I would request the moderator to open the call for Q&A.

Moderator: Thank you very much. Our first question comes from Varun Jain from Dolat Capital. Please go ahead.

Varun Jain: Good evening, Kunal bhai. Good evening, Sanjay bhai. So, congratulations on a good set of numbers and on the mine conversion. So just on that, so this mine conversion, what is the sustainable volume it will add every year to AIA?

Sanjay Majmudar: So Varun, as we said, the current trial was based on a combination of lining system plus the new generation discharge system. The whole approach that we had adopted over the last 1.5 to 2 years was to take the clients away from discussion on the pricing, which was already and always creating headaches about antidumping and all those issues and create a system whereby the mining efficiency and the mining output and their operating costs can be effectively significantly altered.

So, I think what we are now currently envisaging is that it's too early for us to give you any clear-cut idea about X volume, Y volume. What is important is that with this success, the addressable market which is very huge becomes very closely and immediately reachable. It takes time. I can't just tell you that today, I will get X number of orders. But very important, the same client was very happy.

And we have now got a very, very strong reference point where large mines in the world would be eagerly talking. Again, as I repeat, the strategy is to talk about the solution based on this lining and the discharge system radically make their problem solved. And then as a corollary, automatically also talk about grinding media, which is a high-volume business.

So, this is just a strategic shift. Volume growth will come, should come. Let us wait for a while and let us see how it assimilates. But what was very encouraging what we have shared. So at this point in time, we feel it's a little premature to give you any volume guidance, but a very positive thing has happened, which we wanted to share.

Varun Jain: Okay, sir. And sir, this customer, this is -- I'm assuming this is a Chilean copper mine. Is that understanding right? And on that, we were hearing that there are some reports that the...

Sanjay Majmudar: Let us confine it to one of the very large mines based out of South Africa -- South America, sorry.

Varun Jain: Okay. Okay. And on that only, sir, in South America, we are hearing that there is a sulfuric acid shortage because of which some smelting operations in copper mines have stopped. So are you also facing any issues like that?

Sanjay Majmudar: No, no. Nothing of the sort. See, we are talking of a very large headroom correct. We are not saturated in terms of conversions, but we are talking of a very large headroom. Some momentary sulfuric acid shortage doesn't affect us in any manner at all in as much as this endeavor is going on.

Varun Jain: Okay, sir. And sir, on the realization, so this quarter, you had the highest ever realization. It's crossed INR180 per kg. So sir -- and you said that it's not sustainable. You're guiding INR155. So, assuming...

Sanjay Majmudar: INR165 is the -- if you see the annual average, it is INR165 and that's there abouts. You see what happens is the function of product mix. So last quarter, we had a very heavy tilting in favor of more value-added casting and therefore, this shift plus the rupee depreciation also has a mild impact, partial impact on that. But I think a sustainable figure is INR165 and thereabouts as Kunal explained.

Varun Jain: Yes. So sir, my question on that was that since this conversion you said is like a mill liner plus grinding media and further conversions will also...

Sanjay Majmudar: It is not grinding media.

Kunal Shah: Sorry, the point is that going forward, as we model the product mix, you can consider INR165 as the realization.

Varun Jain: No, no sir. My question was that since it's not a grinding media, it's mill liner, so then structurally the realization should be higher only, not because these are...

Sanjay Majmudar: You are right, you are right. But the plan is to sell grinding media right? It is not to sell just liners or non-grinding media. Both will grow in proportion, which is why consider INR165 right now.

Varun Jain: Okay. Okay. And sir, in Q4, your tax rate was much lower, like close to 16% or so. So why was that?

Sanjay Majmudar: Sir, first, Q4 was the final adjustment of the tax for the whole year minus already provided for. That is the first time answer. Second answer, this year overall for the whole year tax rate is couple of percentage points lower because of 2 reasons. One, there was a what do I say a refund -- a significant refund that came in one of our subsidiaries, almost INR15 crore.

Second, another factor is that in one of the other subsidiaries, we have also provided for what we call as a deferred tax asset because of a reversal that we are getting in the current year. You consider it as 22% effectively.

Kunal Shah: There is a one-off in this quarter linked to other adjustments, reversals, provisions, etcetera, where there is a INR25 crore, INR30 crore tax lower than what it should be.

Varun Jain: Okay. And sir last question from my side, sir, what was the mill liner utilization for metallic and composite? And what is the minimum volume growth guidance for FY '27?

Sanjay Majmudar: We are not giving any specific numbers about metallic or composite. We are doing -- we have a good traction on the mill liners. We will only talk about the overall volumes. But please understand, as I said, one of the key trials where we were very anxious has become successful. So, there are good things likely to come. Let us wait for a while.

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

Moderator: Thank you. Our next question is from the line of Ankur Periwal with Axis Capital. Please go ahead.

Ankur Periwal: Yes. Hi, Sanjay bhai. Hi, Kunal bhai. Thank you and Congratulation for the new client win there. So first question, while you are not disclosing from a volume growth perspective, have we got any initial orders from this customer given that year-end order book is much higher than what it used to be last year. So, from that perspective, have we got any?

Sanjay Majmudar: No, no. So after the successful trial in one of their mines, they have immediately also given us the order for the second mine conversion. That's all I can share at this point in time. See, we are under very strict confidentiality clauses you must appreciate.

Ankur Periwal: Sure, sir. No worries on that. And just a follow-up on that. What is the capacity utilization here for us both in mining as well as in grinding media?

Sanjay Majmudar: Current capacity utilization this year is about 55% overall.

Ankur Periwal: Okay. But there will be higher demand for castings here for this client, right? So has there been a jump in that numbers in castings?

Sanjay Majmudar: Castings production has gone up, but still, we have enough capacities to cater to the expected increasing volumes that might come over the next couple of years. And as you know, as per our policy, we always move a couple of years in advance. So as and when we see the traction coming. We have enough wherewithal to quickly.

Currently, whatever 4,36,000 tons capacity, in front of that 2,58,000 tons our production is done. We can go up to 70%-75% utilization. As and when the utilization improves, we will also keep on adding incremental capacity. That is where, at this point in time, Ghana as well as China are on a bit slowdown mode. However, we can accelerate as and when needed.

Ankur Periwal: Great sir. That's helpful. And just lastly, if you can help with the update on the ADD, the custom duties, etcetera, which is going on in multiple countries. Any changes there and any demand uptake because of that?

Sanjay Majmudar: Status quo continues, as is.

Ankur Periwal: Okay, sure. That is, it from my side, sir. Thank you and all the best.

Management: Thank you.

Moderator: Thank you. Our next question comes from the line of Devang Shah with Ant Financial. Please go ahead.

Devang Shah: Yes. Hi, sir. Congratulations for the good set of numbers.

Sanjay Majmudar: Thank you.

Devang Shah: My major query is if China and Ghana is slowing down, sir, geopolitical tensions are going to be there for next 1 or 2 quarters. If we imagine that thing, if we expect that thing, then is it okay to again, our company will quarterly post an operating profit margin of about 23% or something like that?

Sanjay Majmudar: No, no...

Devang Shah: That will be difficult to sustain?

Sanjay Majmudar: No, no. I think you have mixed up 2 things. One, currently over the last couple of quarters we have been putting our full force, I would say, over the last 1 year on this new solution and the new system on which we are now offering the global mining customers something unique on the platter, correct?

So, when we say that China and Ghana are slowing down, we don't mean to say that we have shelved them. What we have said now that the focus is clearer, we will once again take a call and start accelerating that, point number one. So that has nothing to do with my margin. Okay. I have an operating margin even today. If you see my operating margin after excluding other income is about 28%, 29%.

What we are saying in the past, that as and when the volume grows, as and when the product mix grows and more and more grinding media is sold, because that product mix is bound to then tilt in favor of grinding media as a large volume giving proposition. Then the operating margins in absolute numbers will grow, but as a percentage can come down in the range of 26%-24%. This is what we were explained. There is nothing related to Ghana and…

Devang Shah: Okay sir. Got it, sir. The major -- the other thing is, as from 3 or 4 quarters, like we're expecting the capacity utilization is going between 55%, 60%, 65%. So is it -- at this continuation capacity utilization, aren't we facing like in further going forward, aren't we going to feel the pressure?

Sanjay Majmudar: What sort of pressure my friend? I mean...

Devang Shah: Like for the shortage of...

Sanjay Majmudar: No, no. So I explained in the earlier question that current 55% utilization, I can go up to 70%-75%. So I can go from 1 lakh tons, 2.5 lakh tons to 3.5 lakhs tons easily. within the available capacity. Okay. Now, this is not an automatic line item which just increases.

So as soon as we start getting the traction, we have paused our one brownfield expansion in GIDC, Kerala which is nearer to Ahmedabad, not your south Kerala. Tso that I can do immediately. So in 6 months to 1 year -- I can further push another 50,000-75,000 tons.

I have enough of land plus infrastructure available. So we'll see as we go ahead. Simultaneously, 100,000 tons capacity which we were planning between Ghana and China. For Ghana, land and location is finalized so if more 50,000 tons I want to put, I can do that Sir, we never face a capacity shortage.

Devang Shah: Okay. And sir, any plans to further usage of the reserves are there on the books? Is it like our last con call, it was about some takeover was there or something like buyout was there or something like that. Are we on that track only or we are not?

Sanjay Majmudar: No, no, I don't think we have ever talked about any takeover or buyout. So I think there's some confusion here. What we have said we are conservatively, we have been maintaining a fairly high level of cash.

We have said that till we reach optimum positioning in terms of what efficacy of our solution and stability that we want to bring in as a consistent growth and clear direction we want to carry a little extra cash with us. As soon as we reach that, we will think of other avenues of reducing that cash. But at this point in time, there is absolutely no such announcement, which please note.

Devang Shah: Okay, that's fine. That's all from my side. All the best. Thank you, sir.

Moderator: Thank you. Our next question comes from the line of Priyankar Biswas with JM Financial. Please go ahead.

Priyankar Biswas: Congratulations, Kunal and Sanjay bhai. So particularly, I would say the conversion itself was a great news. So just coming back on that. So can you provide me some color like this sort of large conversions, how should we look at the pipeline, let's say, if I have to take like a 2, 3-year views? And based on that, let's say, like today, we have a mining volume of something like 160 KT, right, for FY26. So, let's say, by FY29 or FY30, where are we aspiring to be?

Kunal Shah: I think the first part is that what we're trying to speak of is that the goal has shifted from just selling grinding media to selling a package or a solution which is linked to a disproportionate benefit to the customer, because if we are able to ensure this strategy work, then duty shipping,

all of that becomes far insignificant versus just a commodity supply, right, or just a product transaction of supply.

That is the endeavor. How do we retool the company or how do we tool the company to survive next 50 years with a clear moat and the moat comes from a sticky offering and the offering comes from engineering and engineering comes from the solution.

So that's the pathway for us. So, this is the point is that in a mill which is handling a few thousand tons of ore per hour to be able to create this level of impact is something that has been painful lot of learning, but has happened.

Now the question is -- and that's what my opening line was or introduction to this point was that, I can't today convert it into goals and outcomes. So, if I'm saying there is 800,000 tons to 1 million tons of ore market today and let's say, 100,000 or 150,000 tons of mining market.

That is a significant market in South America that -- where we are now pursuing with a very strategic intent, right. That here is the goal, here is the tactics. And once this traction is found, it is -- I don't think there is an answer because we've seen this in cement in the past where in 5 years, a large part of the incumbent got converted to pro. You've seen this in platinum in South Africa. We've seen this with iron ore, let's say, 15, 17 years ago.

So, we are hoping that once a critical mass is reached as far as references is concerned and the solution has been tried by a few people, the adoption should be fast. Now that does not mean it will happen in 2 years, 4 years, 20 years, right? We really don't have an answer over there. We are sharing what we are doing from our standpoint. You guys have far better networks in references to go speak about where -- what we are saying, what does it mean in the scheme of things.

So, I think it's a long-winded answer. The short answer is we don't know, right? We hope that what we're doing with 1 or 2 or 5 mills, and we've done this for other size smaller, medium-sized mills, maybe 15 other mills, right? This is one larger one that we've done in the area. We are hoping that this gives us predictable growth going forward.

But you'll have to allow us a few more quarters or we keep updating as more information gets clear. If I share anything now, it is more coming from an answer that is unsupported by ground reality or signals from the market that I can build on.

Priyankar Biswas: Okay, Kunal bhai that's a very clear. Maybe we can refer back to, let's say, when you did this large-scale cement conversion. So, I see over FY2006 to FY2010 where your volumes almost literally doubled in a span of 5 years, maybe take that as an approximate. But coming back, so I think this technology you had developed almost like 6 years back, if I recall correctly, this...

Kunal Shah: There is a discharge system that we are seeing. So, the whole bit has been a 10-year journey, but the whole mining conversation in the form and shape, because the solution is the old concept, we've been doing for cement, right? The mill linings kept coming in 5, 6 years ago. The down process for grinding media has been -- we've been doing that from 2017, 2018, 2019. So, that's been around for 5, 6 years.

But the discharge system has changed the whole conversation that is last 2 years, last -- not even 2 years, right? So, what we have been saying lining systems includes this additional element which is part of the lining offering, but it's a very different shape and form than what we were talking about 18 months ago. This is a very recent development, and that it's built on all the knowledge. It is not a standalone plug-and-play that something came up and we are now talking about it.

It's a journey where we discovered while we were solving for something else, we realized the bigger problem. We realized we have a engineering capability to design a solution on top of that. And that's what I think excites us the most because that ultimately forms the core offering through which grinding media lining will be sold. I would say this is not older than 18 months. The solution that we are now pitching around which the whole solution is built is last 18 months.

Priyankar Biswas: Okay. So, it's more like a 10-year evolution. So, you started from the down systems and went to like last 5, 6 years, the lining part. And now you have developed this new generation...

Kunal Shah: So, our North Star is that I cannot be a transactional product supplier, right, which we haven't within the mining space, we've gone up the value chain, right? Our goal is that how do I -- I cannot exist on a multi-decade moat driven offering, unless I'm doing something extraordinary difficult to do, something that is also disproportionately impact the customer, right?

And that's the path that we followed in the past that we are doing now. So, how do I improve throughput? How do I reduce cost? How do I reduce power, how do I improve recovery. Everything that we are doing is ultimately going into those outcomes. And as we went -- kept going forward, we kept discovering better and more impactful ways to influence some of these outcomes.

Sanjay Majmudar: And Priyankar just to add to make a statement as an Indian company that today in this space, which is dominated by giants. There is nobody in the world offering a similar solution, is a very tall statement, and I think we are very proud about it. So, let us wait and see how it unfolds.

Priyankar Biswas: And just last thing if I can squeeze in, that like some of statistics point of view, can you provide like with your solution, what sort of savings, like if you can, let's say, quantify a bit, increased let's say yield or maybe as you say, greater Polymetal output, or let's say power reduction? So, what are the benefits if you can just quantify some more?

Kunal Shah: I cannot quantify for this specific transaction. That's not possible. It's not allowed.

Priyankar Biswas: No, not this customer, like in general, what is expected to be...

Kunal Shah: At least 15% of throughput improvement, at least. Otherwise, it's not material. And throughput is inversely linked to power. So, 15% throughput improvement is 15% power reduction, plus other benefits of down process and other things. That depends on every customer. But a fractional improvement is still material.

Sanjay Majmudar: And just to add from a geographical standpoint in some of the regions where power cost is huge, power becomes a very big driving force. In some geographies where throughput improvement

is very critical, it becomes a driving force for approaching that particular client. Having said that, these two factors are massive when it comes to reduction of the total cost of ownership, which are just making the savings in terms of consumable wear parts.

Kunal Shah: Okay. Now, it's absolutely clear.

Moderator: Our next question comes from the line of Raja Kumar with RK Investment. Please go ahead.

Raja Kumar: Can you hear me?

Moderator: You're audible sir.

Raja Kumar: Thanks for the opportunity. Sir, these new solutions that we are offering, is that an expertise that we built post-acquisition of Vega Industries Australia?

Kunal Shah: No, no sir. Vega is a history in terms of way back in 2001-2002, it is nothing. Vega acquisitions were all concluded.

Management: It was not an acquisition. When we started off, that was an entity. It is our own fully owned subsidiary. It was just an entity that was created...

Sanjay Majmudar: For global market.

Kunal Shah: There were 3 sales people employed out of that company, when we originally started. It was not pulled out of AIA. It was just an entity with 3 people inside. And we said, rather than creating a new entity, let's just pull this into AIA. There was no an acquisition as such.

Raja Kumar: Okay, got it, sir. So, this technology that you're talking about, so I'm sure you'll be patenting this as well, right?

Sanjay Majmudar: There is a patent as far as design is concerned, but it is -- IP in terms of cause an effect, cause and outcomes. It is a causal knowledge that becomes part of our IP. But design will surely be going through a patent conversation, yes.

Raja Kumar: Okay. No, no. The reason for this question is, is there a risk that somebody can copy this technology or AI will have a patent.

Sanjay Majmudar: Sir, this technology is not a formula or a Coca-Cola formula which can be copied. It requires humongous amount of engineering effort in terms of designing and application and then finding the right methodology and massive interaction with a client of a size which is several times bigger than AIA, and who is ready to stop his mine and allow me to do this conversion for a few days. So, it's not just something that anybody can walk in. We are not at all worried about somebody copying. That's much all I can say, honestly.

Raja Kumar: Sir, the second question is a housekeeping question. So, just looking at the inventory numbers between '25 and '26, they have gone up almost 25%, whereas your production sales numbers are like more or less 2%, 3% plus or minus. So, just want to know what is the reason for this 25% increase in inventory?

Kunal Shah: So, 100% of our stock is built against orders. There is the South American order that got introduced, I think, from October, November this year. And there was a change in billing cycle for another lot where the billing shifted from when it moved from India to actually when they consume. So, both of that amount, it was a delayed invoicing and we just translated into a little more stock. So, order revenue became stock and that on a rotating basis continues then. So, it is all material for a customer. It's not housekeeping, then actual addition of stock.

Raja Kumar: Okay. And lastly, sir, is it fair to assume that the volume journey for AIA will now start go forward?

Sanjay Majmudar: That is all our endeavor, sir.

Raja Kumar: Okay, sir. Thank you so much. All the very best.

Sanjay Majmudar: Thank you.

Moderator: Our next question comes from the line of Chirag Muchhala with Centrum Broking. Please go ahead.

Chirag Muchhala: Sir, first question is, as you mentioned in the opening remarks that, I mean, post this Middle East crisis, there are some global uncertainties. So, sir, last time in FY25, we had seen some of the deferrals in terms of conversion from forged to high chrome, etcetera, by customers, that generally they would prefer not to do this when shipping-related uncertainties are high. So, just wanted to know how is the mood with miners globally currently? And in terms of conversion in FY27, do you see those getting fast-tracked or there is a possibility of delays.

Sanjay Majmudar: Chirag bhai, currently while shipping cost is a challenge, however, we don't see that as a limiting factor. Actually, what has happened is the transit period has been elongated slightly by maybe 10, 15 days. However, the shipping cost which initially after the war was very high has now come down to a reasonably moderate level.

I don't think that's a concern and most importantly, the efficacy and the solution that we are talking about, it is far, far away from any of the commodity pricing worries. So, frankly, it is not at all material for the whole effort. So, right now we are not actually worried about it. And anyway, we work with 100% passthrough.

Chirag Muchhala: Yes correct, sir. I was just thinking in terms of their move to I mean go ahead with a new solution in such times?

Sanjay Majmudar: Sir, it is like, imagine a copper mine where over the last five years, the output has dropped by 10%, 20%, 15%. That copper mine will have to invest hundreds of millions in terms of their ball mill and crushing capacities to maintain that output. We are going there and telling him that without any capex, without anything, we will give you a solution where you can maintain your output instead of reducing it, or in fact, increase your throughput. Why will he think about the shipping cost sir.

Chirag Muchhala: Correct sir.

Sanjay Majmudar: Okay, so there is no moat. The moat is really the efficacy and the remarkable positive impact of the solution. Nothing to do with any costing.

Chirag Muchhala: Sir, second question is that, sir, it's heartening to know that in one of the large mines our trials have been successful. If I'm not wrong, sir, we were doing such trials in two large mines. So, sir, any update on the second mine?

Sanjay Majmudar: It is going on, sir. It is going on. We are expecting something to happen over the next couple of months.

Chirag Muchhala: Okay. And sir, lastly, sir, have we -- I mean, started winning any volumes back from Brazil after the end of that sunset review clause?

Sanjay Majmudar: We should be doing 6,000, 8,000 tons in Brazil, but it still needs to scale up. It is not gone through the scale-up, we had hoped for.

Chirag Muchhala: Okay, sir. Thanks.

Moderator: Our next question comes from the line of Varun Jain from Dolat Capital. Please go ahead.

Varun Jain: Just a couple of questions I had missed. So, sir, in your balance sheet, I've seen that you had a short-term borrowing of INR485 crores. That has gone to zero. So, you had earlier said you use this export tax credit limit because there is interest subvention in that. So, you have stopped using that?

Kunal Shah: Sorry, can you repeat that? I think interest subvention...

Sanjay Majmudar: No, no, no. So, it's very momentary or functional what we were doing earlier that we were trying to sort of utilize lower cost credit and trying to work out on a little bit of arbitrage that is all cyclical. It doesn't happen consistently. And there's no specific reason for being low in this quarter. It just happens as cycles. More of a treasury function also.

Varun Jain: Okay. And sir, any from the treasury, like you have INR4,300 crores of cash. So, any plan? So, there has been a lot of, I think, a couple of years that the plan has not come for. So, any updates?

Sanjay Majmudar: It was previous question, I had replied that we have deliberately and consciously kept a little higher level of cash, though it impacts my ROCs. So, if my 22% ROC without this cash goes up to 35%, 37%, we are conscious about it.

Having said that, we are working on many fronts. Give us at least 6 to 12 months more. I'm sure today, even today at the Board level, we have these discussions. So we are very conscious about it, allow us this luxury for a few more quarters. That's all I have to say.

Varun Jain: Sir, on the dollar rupee thing, so since rupee has been depreciating so much, so do any of your customers come back and say that they also want some rebate or some price negotiation there, or you get to keep the entire benefit?

Sanjay Majmudar: I think we already settled this question in the past where we benefit momentarily because most customers, except U.S., are importing in a local currency, Canadian dollars, reals, euro, South Africa, whatever the currency is.

So generally, I think there is a disconnect where now where rupee has weakened more than other currency, but generally they expect a lower dollar price so that their local currency cost does not go up. So, for us, a depreciating currency is better than an appreciating currency because we get to keep some.

But as a concept, I have to reset or I want to reset my dollar price. You get it? So a weakening currency, when it weakens, the reset in dollar may take a quarter or two, but till that time we have a little more benefit for a quarter or 2, and then one can assume a lot of it's being passed through.

Varun Jain: Okay, sir. In the last year, sir, you had guided close to INR300 crores of this power capex. Have you been able to do that? And what is the power -- because I think the power cost in this quarter was close to 5.8% as a percentage of sales. So, will that be structurally lower as more capacity of power comes on?

Sanjay Majmudar: Yes. So, about INR30 crores odd of balancing capex.

Varun Jain: INR30 crores, yes.

Sanjay Majmudar: INR30 crores odd of balancing capex is required to be incurred in completing the ongoing hybrid -- captive hybrid group captive scheme project that we are going on. So just to give you a perspective, our current consumption annually is about 30 crore units at current level.

It may go up. Correct? In front of it once rated capacity which I will achieve will be almost equal to about 100 megawatts in terms of my renewables. in front of which at peak, I should be able to generate about 20 crore units.

So, which means I'll become almost 60%-65% dependent on my own captive renewable power. These are all under group captive. So, as against discount cost, this should come around INR5 to INR5.5. So, it will be a saving of INR1.5 net – net. But my investment for this is relatively much lower.

Varun Jain: Okay, sir. That's all for me. Thank you and all the best.

Sanjay Majmudar: Thank you.

Moderator: Thank you. Our next question comes from the line of Lokesh Manik with Vallum Capital. Please go ahead.

Lokesh Manik: Yes. Hi, good evening, Sanjay bhai and Kunal bhai…

Sanjay Majmudar: Can you be a little bit...

Moderator: Sorry to interrupt.

Lokesh Manik: Yes. Is this better?

Sanjay Majmudar: Yes. Slightly better.

Lokesh Manik: Good. Sanjay bhai. Just one question and one suggestion. One suggestion was that if you could, going forward, provide us with percentage of revenue coming from new solution offering. I appreciate it is very small today.

We don't need the pricing and the quantity information, but percent of sales coming will give us an idea in terms of how the strategy is moving quarter-to-quarter or going forward year-to-year. It will just give some qualitative sense.

Just a suggestion on that front. And second was a question on, with this new offering, would the time for conversion reduce versus acquiring a new customer where you would take at least 3-4 years to establish your credentials versus, with the new solution offering, you can do it much faster. Is that the case from your recent experiment, sir? Yes.

Kunal Shah: From a time to market, it surely helps because now there's a better reference, right? In the process, there is skepticism or friction for the customer to say whether it will work or not work. Having done it at an important mine site surely helps to confidence.

But I think this announcement was also to reinforce that it's a very interesting solution that we are now crystallizing as we go forward. It's both things. Our own confidence that all that we are saying is coming through.

We have the confidence. We knew the technology will work. We've done it with smaller mills. But to get a solution to work at a bigger mill reinforces our confidence in it, number one. Reinforces the fact that my solution is extraordinary or disproportionate and instills with comfort, of course, and hopefully a lower conversion time.

But like I said, it ultimately the signal today, I can't convert that into 2,000, 5,000, 10,000 tons in 2 years, right? So, we still don't have that...

Lokesh Manik: Sir**.** For the 15 mines that you've implemented, have you seen the time to market reduce from 4 years. That was my just understanding. Just...

Kunal Shah: Sir, these are 15 mines are in different countries. They are different mill configurations, different operating conditions. What I am saying is, there are two parallel things. One is building out the solution, and second is the reference list. As both happen, your time surely has to reduce.

I think what I'm saying is if the input increases, the output will increase but I cannot give you an objective answer there, I can’t tell you that out of 24 months it will take 18 months. What I'm trying to tell you is that it will still take time, but objectively these are important developments that hopefully will lead to lower conversion time.

Lokesh Manik: Understood. That's it from my side. Thank you so much.

Sanjay Majmudar: Thank you.

Moderator: Thank you. Ladies and gentlemen, to ask a question, you may press star and one. Our next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Sir. Thanks for the follow-up. So, first question, if I look at our last, not specific for FY26, but let's say even'25 and '26 put together. There is an absolute increase in realization on a per ton basis. While the cost here is largely flat or maybe down, I'm looking more on COGS side. Would it be fair to say that this increase in realization is largely a function of product mix, maybe more of casting getting sold versus grinding media here?

Kunal Shah: I think as of now, my raw material cost is at one of the highest levels today, this quarter. With the Iran war. Then we have war in Russia, then Covid. It has been volatile. So, my raw material absolute rupees per kilo has gone up, my selling price has gone up, number one. My shipping cost has gone up, is reflected in my selling price.

My currency has moved from INR75, INR78, INR80 to INR95, that is reflected in my realization, and my product mix is part of it. It's a combination of all four things. I don't think we'll be able to strip it out to say which is why, to say what is each element. Next year, INR165 is a fair realization to consider.

Ankur Periwal: Sure. But just thinking aloud, if -- as the solution business keeps on picking up, which is where more of castings will get occupied versus not only grinding media, won't directionally the realization growth will sort of as well?

Kunal Shah: Not really, because today also a lot of our business in cement. Some part of mining is solution-driven, but the nature of the solution is changing. It is still grinding media and castings. Today also, a reasonable portion of my volume comes from castings. Castings have always been and will continue to be important part over here.

What we are specifically discussing is the intervention and the impact of the castings bit. We don't want to sell only casting. It cannot function without the grinding media in sync with the whole operating condition. The impact of castings are not just wear parts, but are tools that are bringing disproportionate benefit as part of the solution, which includes grinding media.

You cannot just strip away castings and say, making 500 in realization. It will, we will intent, endeavor, and the solution is to sell the whole package, which includes grinding media and casting, and which is where considering much above INR165 may not be a fair assumption.

Ankur Periwal: Sure. That's very clear. Just second bit, the earlier order of around 15 or 1,000 tons from the South American client. Should that volume start coming in this year? Any timelines you can share on that?

Kunal Shah: No, it has already started.

Ankur Periwal: Okay. Last year it started?

Kunal Shah: No, the dispatches started last year. This quarter, January quarter would have started seeing some invoicing. I think a lot of that will come in this quarter and ongoing, first quarter of this year

onwards. Some of it is there in the fourth quarter, because dispatches from India started in October. Invoicing will happen from, I think, started from sometime in February, January, February, and it will get into regular stream from this quarter.

Ankur Periwal: Sure, sir. That's very helpful. Thank you and all the best. Thanks.

Kunal Shah: Thank you.

Moderator: Thank you. As there are no more questions, I would now like to hand the conference over to the AIA Engineering management team. Please go ahead, sir.

Kunal Shah: Thank you everyone for joining. As usual, Sanjay and I are available for any questions offline, and we look forward to connecting at the end of the first quarter next year. Thank you.

Moderator: Thank you. 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.