

19th February, 2026

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalai Street, Mumbai — 400 001

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai — 400 051

Scrip Code: 531147

Scrip Symbol: ALICON

Dear Sir/ Madam,

Sub: Transcript of Analysts Conference Call

We are enclosing herewith the transcript of the conference call with analysts, which took place on 16th February, 2026, after announcement of the unaudited Financial Results for quarter and nine months period ended 31st December, 2025.

We request you to kindly take the above information on your record.

Thanking you,

Yours faithfully,

For ALICON CASTALLOY LIMITED

VIMAL GUPTA
GROUP CHIEF FINANCIAL OFFICER

Encl: As mentioned above



Alicon Castalloy Limited
Q3 & 9M FY2026 Earnings Conference Call Transcript
February 16, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Alicon Castalloy Limited's Q3 and 9M FY '26 Earnings 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. Mayank Vaswani from CDR India. Thank you, and over to you, Mr. Vaswani.

Mayank Vaswani: Thank you, Renju. Good morning, everyone, and thank you for joining us on Alicon Castalloy Limited's Q3 and 9 Months FY '26 Earnings Conference Call.

We have with us on the call today, Mr. Vimal Gupta, Group CFO; and Mr. Manish Kapoor, Group COO. Mr. Vimal Gupta will present an overview of the operating and financial performance for the quarter. Mr. Manish Kapoor will then take us through developments in global markets, insights on domestic business trends and updates on key strategic initiatives.

Before we begin, I would like to point out that some of the statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings documents that have been shared with all of you earlier. I would now like to hand the floor over to Mr. Vimal Gupta, our Group CFO. Over to you, sir.

Vimal Gupta: Thank you, Mayank. Good morning, everyone, and welcome to Alicon Castalloy Quarter 3 and 9 Months of Financial Year '26 Earnings Conference Call. Thank you for joining us today.

The domestic automotive market witnessed encouraging developments during the quarter. The GST rate rationalization announced in September provided a meaningful uplift to customer sentiment, resulting in improved activity across the automotive ecosystem in quarter 3. As you would have noted from publicly available in this industry data, domestic vehicle sales recorded a strong double-digit growth during the quarter. The momentum has started into increased customer inquiries from production schedules and improved order visibility across segments.

Encouragingly, several domestic OEMs customers have indicated that demand remains robust with the key constraint to further ramp-up now stemming from supply side challenges, most notably constrained semiconductor availability and ongoing difficulties related to imports of rare earth magnets rather than end market demand.

On the global front, volatility and uncertainty arising from tariff-related actions weighed on sentiments and volumes from international customers. In addition, the December quarter is typically seasonally softer for global markets as production schedules tend to tap up towards the calendar year-end; as a result, the quarter remained muted for our global operations.

That said, financial year '26 has also seen some positive and constructive developments. On the external front, the signing of the India-EU trade agreement in January followed by the announcement of framework for an India-U.S. trade agreement in early February brings light at the end of the tunnel, and we can anticipate increased momentum now that the overhang is lifted.

In Europe, we see a more constructive medium-term outlook emerging. The evolving Free Trade Agreement framework together with Aicon Castalloy established footprint and long-standing customer relationship in the EU region positions us well to benefit from any incremental sourcing realignment over time. In parallel, global OEMs are increasingly evaluating India as a competitive and reliable manufacturing and export hub. This structural shift is supportive for Indian component suppliers with strong engineering capabilities, quality execution and scale, attributes that are central to Aicon's operational model.

With respect to the United States, we continue to closely track ongoing developments depending on the pace of progress from discussions to a more formalized framework. We believe there could be constructive movement over the coming quarters. While the impact in quarter 4 is expected to remain limited, we anticipate a more meaningful normalization as we move into financial year '27.

China is also showing early sign of improvement. Recent indications of increased engagement between India and China have led to cautious optimism and restrictions on the supply of rare earth materials and semiconductors to India may ease over time. Even as we monitor these developments, we are proactively working with our customers to accelerate localization initiatives and increase value-added manufacturing. These efforts are closely aligned with our long-term strategy of enhancing self-reliance, improving supply chain resilience and expanding our value-added content.

Turning to our financial performance. We are pleased to report a stable performance for quarter 3 FY '26 despite significant industry headwinds and the fact that the December quarter is typically seasonally softer for global operations. The resilience demonstrated during the quarter reflects steady operational execution across our manufacturing footprint, supported by our diversified exposure across end user segments and propulsion technologies. This diversification has enabled Aicon Castalloy to consistently deliver scale with revenue exceeding Rs. 400 crore in 9 of the last 10 quarters.

For quarter 3 FY '26, Aicon Castalloy reported a revenue of Rs. 430 crore, representing year-on-year growth of 10% compared to Rs. 393 crore in quarter 3 FY '25. It is important to note that base quarter includes certain onetime projects that were not part of the current year's operating plan.

During the quarter, a U.K.-based OEM customer experienced a cybersecurity incident that disrupted production for nearly 5 weeks, during which we were requested to temporarily pause supplies. In addition, our U.S. commercial vehicle customer continued to face demand headwinds with some customers

indicating volume decline of approximately 25% to 26% in specific product categories.

Our European operations were also impacted by a few customer-specific issues, including supply disruption linked to a Tier 1 supplier serving the same U.K. customer affected by the cyber incident as well as challenges at certain OEM customers in the region. These factors weighed on volumes during the quarter. Adjusting for these specific and largely nonrecurring challenges, the underlying top line performance would have been stronger and comfortably in the double-digit growth range, reflecting the resilience and core business and improving momentum in other markets.

On a sequential basis, revenue in quarter 3 FY '26 were marginally higher than Rs. 429 crore reported in quarter 2 of FY '26, making the fourth consecutive quarter of sequential growth. This reflects a steady recovery following the disruption experienced in our global business during the October-December period last year.

On the margin front, gross margin improved by 138 basis points year-on-year to 47.2%, driven by favourable product mix and operating leverage. On a quarter-on-quarter basis, gross margin moderated by 170 basis points from 48.9% in quarter 2 FY '26, reflecting changes in product mix and volatility in certain input costs during the quarter. Our newer plant and recent automation investments are currently in the scaling phase. And as volumes ramp up further, we expect improved fixed cost absorption to support margins over the medium term.

In Q3 FY '26, EBITDA increased by 34% year-on-year to Rs. 47.2 crore driven by operating leverage and improved product mix and a lower base in the corresponding quarter last year, which had been impacted by certain one-off items. On a sequential basis, EBITDA stood at Rs. 47 crore in quarter 3 FY '26 compared to Rs. 55 crore in quarter 2 FY '26.

The sequential moderation in EBITDA was largely attributable to higher employee cost due to the selective hiring undertaken to support future growth initiatives. In addition, the quarter includes certain translation-related costs associated with the ongoing management succession at Aicon Castalloy,

along with write-offs relating to nonmaterial assets. Consequently, EBITDA margin in quarter 3 FY '26 stood at 10.9% compared to 12.9% in quarter 2 FY '26.

On a year-on-year basis, PBT before exceptional items was Rs. 11 crore, a tenfold increase from Rs. 1.1 crore in quarter 3 of last year, which was an unusually low base due to one-offs.

Our continued investments in new machineries, tooling and automation in line with our technology and capacity expansion road map have led to increase in depreciation by 17% year-on-year and 3% quarter-on-quarter. Finance costs declined sequentially, benefiting from improved working capital discipline and balance sheet management. As a result, profit before tax pre-exceptional declined by 44% to Rs. 11 crore in quarter 3 FY '26 compared to Rs. 19 crore in quarter 2 FY '26.

During the quarter, we recognized an exceptional item of Rs. 5 crore relating to implementation of the new labour code. After accounting of this impact, profit after tax for quarter 3 FY '26 stood at Rs. 3.3 crore, representing a year-on-year increase of 322% compared to Rs. 0.8 crore in quarter 3 of FY '25.

On a sequential basis, profit after tax declined by 76% from Rs. 14 crore in quarter 2 FY '26 to Rs. 3.3 crore in quarter 3 of FY '26. This movement primarily reflects the combined impact of the exceptional charge recognized during the quarter, higher employee-related costs and normalization of margin related to the previous quarter.

For the 9 months ended FY '26, total income stood at Rs. 1,278 crore with EBITDA of Rs. 153 crore, translating into an EBITDA margin of 11.9%. Profit after tax for the period stood at Rs. 11 crore, reflecting the resilience of the business amid heightened external volatility.

Capital expenditure during quarter 3 FY '26 amounted to Rs. 28 crore, taking cumulative capex for the 9 months period to Rs. 92 crore. We remain on track to achieve full year capex in the range of Rs. 125 crore to Rs. 130 crore with investment focused on automation, capacity enhancement and readiness for

upcoming programs. In parallel, we continue to invest in R&D, digital process controls and productivity initiatives to strengthen long-term competitiveness and enhance margin resilience.

Coming to order wins and business outlook. Our strategic focus continues to be on the adding higher-value products, particularly across the passenger vehicles (PV) the commercial vehicles (CV) segments.

During the period, Aicon Castalloy secured orders for new parts from 4 different customers. Of these, 3 parts pertain to the Internal Combustion Engine (ICE) business, while 1 part has been secured under the Carbon-Neutral vertical. One of the order wins relates to our global business with the remaining 3 catering to the domestic customers.

From an end market perspective, 3 of the 4 parts are for the CV segment, while 1 part caters to the PV segment. These wins are aligned with our focus on more complex high value-added components and reinforce our strategic emphasis on deepening our presence in PV and CV segments, while maintaining balanced mix across domestic and global customers.

During the quarter, Aicon Castalloy secured new business from 2 of India's most prominent homegrown OEMs for critical components on their commercial vehicle platform. Development activities of these programs are already underway with series production scheduled to commence in FY '27. We believe that consistent and reliable execution on these CV programs will further strengthen our strategic relationship with these customers and could create opportunities to expand supplies into their passenger vehicle portfolio as well where those OEMs are enjoying strong market positions.

Further during the quarter, we secured an additional order for a commercial vehicle application with supplies to be made to a prominent Tier 1 supplier that is part of one of India's largest and most diversified industrial groups. This win further reinforces our growing relevance within the domestic CV ecosystem.

On the global front, Aicon Castalloy won a higher value parts from a premium German automobile OEM. The program entails the supply of an eAxle housing

for one of the OEM's latest platforms with the deliveries planned to its European manufacturing facility. This is technologically advanced and value-accretive program and association with a premium global customer is expected to have positive spillover benefits in terms of creditability, capability recognition and further business opportunities.

In addition of these new wins, our existing passenger vehicle programs continues to progress well. We currently supply cylinder heads to 2 of the largest Japanese OEMs in India. One of these customers has recently ramped up production of a cylinder head of its 1.5-liter engine platform. With market preferences having clearly shifted towards SUVs and this engine finding application in larger passenger vehicles, we have seen a strong increase in volume for this program.

Another leading Japanese OEM in India with successful hybrid vehicle portfolio continues to perform well. We enjoy 100% share of business for the cylinder heads used in its hybrid vehicles, which has translated into robust growth.

In addition, the OEM has been witnessing healthy growth in exports, providing further headroom for volume expansion over time. As a result of these developments, the PV business recorded healthy growth of 12% year-on-year and CV business has delivered a growth of 13% year-on-year in quarter 3, contributing meaningfully to overall growth.

Before I close, I would like to share a brief update on our ESG journey. Aicon Castalloy has been awarded a committed certification by EcoVadis. This rating places Aicon among the top 35% of companies globally assessed by EcoVadis and reflects our solid commitment to corporate social responsibilities across key pillars, including environmental stewardship, labour and human rights, ethics and sustainable procurement. This recognition underscores the progress we have made in embedding sustainability into our operations while also providing a clear road map for further strengthening our ESG practices over time.

Overall, while exports market for auto ancillary products remains temporarily subdued, domestic automotive industry is exhibiting clear sign of strength.

OEM exports from India continues to gain substantial traction and Europe offers incremental opportunities under the evolving trade framework, supported by the healthy order book of approximately Rs. 9,100 crore, strong customer relationships and disciplined execution. Aicon Castalloy remains confident in sustaining its growth trajectory and delivering long-term value creation.

With that, I will now hand over the call to Mr. Manish Kapoor for the operational highlights.

Manish Kapoor:

Good morning, everyone. Let me begin with a brief overview of the industry environment during the quarter.

In Q3 FY '26, the global automotive industry witnessed moderate de-growth of around 1% on a year-on-year basis. Within this, the market in North America was lower by 2% year-on-year and U.K. was lower by 19% year-on-year. It would be important to note that our 2 largest markets for exports are North America and U.K., and both have witnessed a degrowth in quarter 3. Thus, some of the key segments that Aicon addresses in the global markets have actually degrown this quarter.

In contrast to this, the Indian auto industry delivered a stronger performance. As per ACMA domestic production volumes, excluding tractors, grew by approximately 16.4% on a year-on-year basis, supported by improved affordability and policy-led measures that stimulated demand across segments.

The domestic 2-wheeler segment registering growth of approximately 15% year-on-year. The implementation of GST 2.0 improved affordability and boosted household disposable income, while a strong festive season and multiple repo rate cuts supported financing conditions. Although both rural and urban markets participated in the recovery, the momentum has been led largely by urban demand, reflected in stronger scooter growth relative to motorcycles.

The Commercial Vehicle segment grew by about 17.5% year-on-year, supported by improving freight activity, GST reforms and broader macro measures that have strengthened overall consumption levels, resulting in higher intracity logistics requirements and fleet replacement demand. The earmarking of funds in the union budget for the PM's E-DRIVE and eBus deployment programs bodes well for this segment.

In the Passenger Vehicle segment, volumes increased by approximately 19% year-on-year basis. Improved affordability following GST rationalization, direct tax relief measures, successive repo rate cuts by the RBI and renewed consumer confidence collectively supported demand during the quarter. Further, in the latest budget, the government significantly increased the allocation to the PLI scheme for auto sector, signalling continued emphasis on scaling domestic automotive production.

Overall, Q3 FY '26 represented a materially improving landscape for the domestic auto industry with broad-based strength across segments. Against this backdrop, Aicon reported revenue growth of 10% on a year-on-year basis. However, our performance reflects certain company-specific factors. The base quarter included some onetime projects, which were not part of the current year's operating plan.

We had a higher proportion of supplies to commercial vehicle-focused OEMs in Europe and United States, segments that are facing relatively greater stress in the current environment. At the same time, volumes to our domestic 2-wheeler customers increased sharply during the quarter, in line with broader market trends.

As a result, while our stand-alone domestic business delivering strong double-digit growth, this was partly offset by lower volumes in certain higher value-added parts and seasonally softer trends in our European operation. Consequently, our overall growth trajectory does not fully mirror the strength seen in the domestic automotive market. The shift in the business mix has also had an impact on profitability. The shift in product mix during the quarter with a

reduced contribution from the higher-value CV components is reflected in the gross margin and the EBITDA margin, too.

Revenues for Q3 stood at Rs. 430 crore, reflecting sequential growth of 0.4% over Q2 and marking the fourth consecutive quarter of revenue improvement alongside enhanced profitability. Alicon has delivered revenues above the Rs. 400 crore run rate in 9 of the last 10 quarters, demonstrating improved stability and execution despite external volatility.

Our domestic business benefited meaningfully from volume ramp-up with key customers in the passenger vehicle and 2-wheeler segments. The contribution from the 2-wheeler segment increased further during Q3 FY '26, supported by new programs, additions and higher share of business with existing OEMs. As a result, the 2-wheeler business grew by 13% on a year-on-year basis, strengthening our position in this segment.

From an operational standpoint, the quarter was marked by continued efforts to stabilize and enhance throughput across our plants. Given uneven demand patterns in certain export geographies, we work closely with our domestic customers to maintain healthy production levels while simultaneously improving overall equipment efficiency through tighter process discipline and better manpower planning.

Our digital process controls are now active across the majority of the lines, and we are already seeing tangible gains in cycle time efficiency, scrap rate reduction and machine uptime. These improvements are beginning to translate into stronger operational leverage, which should support margins in the coming quarters. We are progressing well on our automation road map with new robotic cells commissioned at our Pune facilities. These initiatives are enhancing process consistency, reducing manual intervention and improving worker safety, aligned with our long-term vision of building a truly Smart Foundry organization.

In parallel, we are increasing the use of data analytics and IoT-based monitoring to predict machine health and optimize energy consumption. To further elevate our casting capabilities, we have onboarded a team of German

experts with deep technical experience. Their focus is on refining casting practices, improving the yields, enhancing throughput, optimizing capacity utilization and driving cost efficiencies. The objective is to benchmark our operations to global standards and further strengthen our competitive positioning.

Our sustainability initiatives also continue to deliver measurable results. With the successful induction of solar power generation across our facilities in India and Europe, nearly 50% to 55% of our total electricity requirements are now being met through solar energy, reinforcing both cost efficiency and environmental responsibility. Mr. Vimal Gupta already spoke about the commitment certification from EcoVadis.

Overall, our focus remains on disciplined execution, continuous efficiency improvement and calibrated diversification. The combination of new program wins, technology-led productivity gains and expanding participation across sectors positions us well to drive sustainable revenue growth and margin enhancement going forward.

With that, we have covered the key business and operational highlights for Q3 and 9 months FY '26. We will now open the floor for questions. My colleagues and I will be happy to address any queries you may have. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Jyoti Singh with Arihant Capital Markets Limited. Please go ahead.

Jyoti Singh: Thank you for the opportunity, sir. I have a few questions. So largely, I wanted to understand that domestic revenue, which is still 81% of mix, so how much incremental growth can be driven without increasing global exposure that we are having around 19%? And another on the plant that are operational around 75% utilization, so what revenue potential exists at 85% to 90% utilization without any major capex?

Vimal Gupta: Jyoti, capex utilization, you cannot directly correlate with the revenues with the capacity utilization here because some machinery, some capacities are the

common use, even we are having the orders, but the existing capacities we cannot utilize. So, we have to put additional capacity.

As you know that Alicon is now going for the more complex parts, bigger parts, so for that, we need the bigger machines, and high-tech machines are required and for the maintenance of the quality also we need. So, when we say that, utilization from 75% to 85%, 10% increase, so that directly you cannot correlate with the 10% increase in the revenues. So we need continuous capacities for the new products.

But definitely, with the existing, if we go with our old systems, old existing facilities, so easily, we can generate Rs. 200 crore from their existing facilities. But completely depends on the product.

Jyoti Singh: Okay. Understood, sir. And sir, on the domestic revenue side?

Vimal Gupta: No, mainly the domestic revenue we are talking about.

Jyoti Singh: Yes, that is 81% of mix. So how much incremental growth we are talking about going forward without global exposure?

Vimal Gupta: Without global, that we are expecting in this quarter, you are talking about the quarter 4. So approximately, we can say 10% to 12% further improvement in the quarter 4.

Jyoti Singh: Okay, sir. Understood. And sir, a lot of our peer and industry players, they are doing diversification more on the non-auto side, which is still currently for us 4%. So, are we planning any more diversification or any strategic priority further to reduce cyclical in the other business?

Vimal Gupta: So, Jyoti, like we are already in discussion for this our project of DAR. That is one. But you know that this defense side or railway side, it needs more time. So, this project has started, but it will take time to convert it to the revenue on that side. But definitely, we have also started looking for the new product profiles, maybe some different additional processes we can think to add. And maybe Manish Kapoor would like to add more.

Manish Kapoor: Hi, Jyoti. Basically, this DAR vertical is right now in a very nascent stage. But yes, it carries a lot of potential in future. And it requires very tighter process control, traceability, higher certification standards compared to traditional automotive programs. Various RFQs right now floated, they are in the initial stage and somewhere to middle stage of discussions. And we have a clear dedicated now technical teams and leadership team, and we are strengthening our quality framework and upgrading our validation capabilities to meet these requirements.

Moderator: Thank you. Next question comes from the line of Yash from Sushil Finance. Please go ahead.

Yash: Hi, good afternoon to the management. I have a few questions I would like to ask. One is what will be the impact of this recent India-U.S. trade deal for Alicon going forward?

Vimal Gupta: You are talking about the India-U.S. deal?

Yash: Yes.

Vimal Gupta: That after having the new tariffs were imposed, so in the couple of quarters, we were seeing almost steady. There was no inquiries, everything stopped, maybe only the existing business we were doing. So, no new development. But after this, at least movement, I have seen that now some inquiries have started. So let us see that maybe in the coming quarters, we will see a major movement. But definitely, big opportunities are there in U.S. for Alicon. And definitely, we will go for that.

Yash: Correct. And my next question is, sir, our subsidiary has shown a loss in Q3. Is there any reason for this?

Vimal Gupta: The loss in Q3 that if you see in the numbers, one is there is a decline in the sales. And on the other side, the sales mix is also there because one big part we were supplying to one OEM that is Tier 1 customer and that Tier 1 is supplying to the U.K.-based OEM. So, due to the cyber-attack, all these were

stopped and there were no supply. The sale has a major impact and where we were having the good margins.

Another side, onetime some additional manpower cost, if you review those that the increase in the manpower cost, that is the onetime cost we have to take. So that was the major reason there. And another side that even decrease in the sales, the manufacturing cost has not gone down due to the fixed cost there. So those 2, 3 reasons are there, that is why our European entity is in the loss in quarter 3, but we are expecting at least some positive in quarter 4.

Yash: Understood. My next question is, sir, the unexecuted order book for new parts is around Rs. 8,000 crore by FY '29. So that means the exit revenue for FY '29 will be close to Rs. 3,500 crore. Is that correct? Basically, could you help us understand the annual revenue ramp-up profile?

Vimal Gupta: Yash, I think you have a good calculation that based on this Rs. 9,000 crore order book, definitely as per our calculation also the exit will be around Rs. 3,500 crore by '29. So that is because there are 2 mix. One is that the execution of the new order book as well as the end of the existing products, so both are happening. And year-on-year, there is execution of the new order book is happening. And maybe till quarter 2, maybe in the last quarter, we have spent approximately Rs. 700 crore we have utilized.

And this quarter also around Rs. 150 crore utilization has happened. So overall, around, we can say, Rs. 850 crore to Rs. 900 crore we have utilized out of this order book. And in this quarter also, like I have explained in my speech that we have got the new orders from 4 new parts we have added and one is a very big global OEM that they have entered into the EV segment and given the first order for the eAxle, the big part that we are going to execute from the Europe.

So approximately till '29 because now the development will happen, the supply will start from '27 and there will be addition till '29 will be around Rs. 300 crore to Rs. 350 crore from these new orders. So then approximately Rs. 8,500 crore will be the balance after utilization of Rs. 850 crore or Rs. 900 crore that has happened till now in quarter 3. And year-on-year, this acceleration, this growth will happen for the utilization of this new order book.

Yash: Got it. Understood. My next question is, in the presentation, you mentioned certain one-off write-offs as well as management transaction costs. What is the impact of this exactly?

Vimal Gupta: Yash, mainly, I just tell you, one is that because now auditing they do the testing of impairment. So approximately Rs. 1.5 crore that cost has happened where there is impairment of some assets has happened. Then the manpower cost, there is the impact because our targets are big that you are already mentioning that our exit rate is Rs. 3,500 crore by '29.

So, now more global players are coming in. So, we have started the investment in the manpower. So in this year, especially in quarter 2, it was started; in quarter 3 now, we have seen the impacts also coming up. So mainly like we have hired the CHRO, COO and some technical heads, machining heads, like many people, senior level hiring has happened. So that will help us to execution of the new order book.

There is some parallel management is also there. So approximately if you compare with the last quarter, so around Rs. 2 crore additional cost has happened in quarter 3. And overall, you can see for full year, we are expecting there is an impact of around Rs. 10 crore.

Moderator: Thank you. Next question comes from the line of Devang Shah with Allvest Investment Managers Private Limited. Please go ahead.

Devang Shah: Yes, hi. Good afternoon, sir. Sir, my first question, this quarter, we have seen some kind of impact in the margin, so that is related to a product mix? And what kind of margin we anticipate looking forward? I want to have some kind of margin band?

Vimal Gupta: Yes. In this quarter, especially you have seen that first impact has come in the gross margins by around 1.67% that we have compared with the quarter 2. So, in 1.67%, if you see the metal prices have started going up. So, around Rs. 6 crore to Rs. 7 crore additional cost has happened. Maybe it is being paid by the customer, but it is sitting in the revenues as well as 100% as a cost.

So, the impact is around 0.6%, 0.7% has come and the sales mix because some sales down we have seen from the customers like Stellantis, JLR, Toyota Motors, so that has an impact of around 1% in gross margins. So that is the one part.

On the EBITDA side, when we are talking about, so there is a decline by 2% from compared to the last quarter. So, 2%, mainly this is one of the gross margin as well as increase in the cost, like I have explained, the asset impairment, higher manpower cost. And as you know that JLR the first major project of eAxke for the EV that we have executed.

And that is the start of a complex part in Aicon, maybe the project from the customer side is now delayed and full utilization is not happening, but we have to run the plant to maintain the momentum in the production as well as to control our rejection side.

So, we are not able to recover the cost fully, so some losses are still happening in this project. So, after when we will have the full capacity utilization that maybe hopefully, we are going to launch this in month of July or August in '26. So, then this project will be on complete ramp-up moving forth.

Devang Shah:

Yes, I understood because the challenges we faced and that has affected the margin. So, my related question to that, moving forward, the way we are doing some kind of tech-enabling robotics and efficiency utilization kind of thing. So that is going to have some kind of positive impact in our market. So, what kind of trajectory we can anticipate as far as margin guidance are concerned going forward?

Vimal Gupta:

So, margin guidance like this quarter 3 was not good. And maybe if you see that in the quarter 2, it was around 12.9% the margins we were having. In quarter 4 we are also expecting between 12.5% to 13% margins, so then overall at least around 12% to 12.5% margins we will close for this full year.

And definitely because our aim is to at least now like on the turnover side, earlier challenges were like that how to close the Rs. 400 crore, now the next challenge we have taken how to close the Rs. 500 crore. So same way on the

EBITDA margin side, our first target is to how to close the 13% and to reach the level of 14%. So that maybe in the next meeting, we will be able to give more clear answer when we will complete our budgeting activity.

Devang Shah: Okay. Sir, my next question, the way we have an outstanding order book that is to be executed by FY '29, around Rs. 8,500 crore. So, sir, moving forward, we are making some kind of new products also we are introducing and we have also made some kind of new OEM also been now coming out, we have made some kind of tie-up. So, what would be the order inflow guidance that you expect in FY '27 or '28 kind of thing? Will the order book remain somewhere close to Rs. 8,500 crore to Rs. 9,000 crore? What kind of addition is going to be there?

Vimal Gupta: So actually, because now in the last 2, 3 quarters due to this U.S. because like I explained to Jyoti also, we had an issue of that there were no inquiries from the U.S. side in the last 2, 3 quarters. So that started, and we have a big market there. So hopefully, that this order book will start growing maybe from the next year, so when we will finalize some businesses. Already those were in discussion with the customers we were doing that. But due to the tariff issue, every activity was stopped, but again, now those will be started after the signing of this agreement.

Devang Shah: Okay. So, moving forward, because of this deal between EU and U.S., you are anticipating that in FY '27, you are going to have a further order inflow, and you will make some more clarity in Q4 related to that. Am I right, sir?

Vimal Gupta: Yes, sure. Right, exactly.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Vimal Gupta: Thank you for your continued interest in Alicon Castalloy. We witnessed an improved momentum in the domestic market during quarter 3 and expect this momentum to sustain going forward. In global markets, early signs of improvement are beginning to emerge in the operating environment.

Importantly, progress on trade agreements with key markets such as EU and the United States provides a more constructive medium-term outlook and is expected to translate into improved opportunities and volumes for supplies to customers in these regions.

We will continue to closely monitor global developments and remain agile in our responses while staying firmly focused on our long-term strategic priorities of diversification, technology leadership and operational excellence. Thank you once again for your time and participation. We look forward to engaging with you again in the next quarter. Thank you very much.

Moderator: Thank you. On behalf of Aicon Castalloy Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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