alicon

Casting the Future

18th August, 2026.

To

The Manager

The Department of Corporate Services

BSE Limited

Floor 25, P. J. Towers,

Dalai Street, Mumbai — 400 001

**Scrip Code: 531147**

To

The Manager

The Listing Department

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,

Bandra (East), Mumbai — 400 051

**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 14th August, 2026, after announcement of the Financial Results for quarter ended 30th June, 2026. The said transcript is also uploaded on website of the Company.

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

Thanking you,

Yours faithfully,

For ALICON CASTALLOY LIMITED

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VIMAL GUPTA

CHIEF FINANCIAL OFFICER

# Alicon Castalloy Limited

## Q1 FY2027 Earnings Conference Call Transcript

## August 14, 2026

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**Moderator:** Ladies and gentlemen, good day, and welcome to the Alicon Castalloy Limited Q1 FY2027 Earnings Conference Call.

As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Mayank Vaswani from CDR India. Thank you and over to you.

**Mayank Vaswani:** Thank you, Ryan. Good morning, everyone, and thank you for joining us on Alicon Castalloy Limited's Q1 FY27 Earnings Conference Call.

We have with us on the call today, Mr. Sumit Bhatnagar, Group CEO; and Mr. Vimal Gupta, Group CFO. Mr. Sumit Bhatnagar will begin by sharing his perspectives on the industry environment and overall business performance. Mr. Vimal Gupta will then take you through the financial and operational performance for the quarter.

Before we begin, I would like to remind you that today's discussion may contain forward-looking statements that are subject to risks and uncertainties. The relevant disclaimer is included in the earnings materials that have been circulated earlier.

I would now like to hand over the floor to Mr. Sumit Bhatnagar. Sumit, over to you.

**Sumit Bhatnagar:** Thank you, Mayank, and good morning, everyone. Let me begin by thanking all our investors, analysts, shareholders for joining us today.

This is my first investor interaction with you after taking charge as the CEO of Alicon effective 1st April 26. So, before I speak about the quarter, I would like to take a moment to share with you how I see Alicon, where are we today and more importantly, where are we going.

When I took charge, I articulated three words to the organization, which is 'Reset', 'Refocus' and 'Rebuild'. And I clearly remember that I did share this with you during my last call in the last quarter. These three words are not about changing the fundamentals of Alicon. In fact, it is quite the opposite. We believe Alicon has a strong foundation over the years, strong customer relationship, deep casting and manufacturing capabilities, a credible technology platform, global exposure and most importantly, a talented and a committed organization.

Our objective is to take these trends and sharpen them. We want to make Alicon more agile, more efficient, more customer-focused and more scalable. And therefore, a Reset', 'Refocus' and 'Rebuild' is not a short-term program. It is the operating philosophy with which we intended to build the next phase of Alicon.

Let me start with the market environment. The Indian automotive industry, it continues to remain structurally very strong. The underlying demand environment has been positive, and we have seen healthy growth across the major automotive segments. More importantly, the latest industry data continues to support this positive trend in Q1 FY27.

The passenger vehicles recorded their highest ever first quarter sales at approximately 1.57 million units, growing to around 11.3%. 2-wheelers grew 21%, and commercial vehicles grew 19.5%. So, the overall environment is quite supportive. But what is particularly encouraging for us is that Alicon has grown significantly faster than the underlying market.

During the quarter, Alicon registered a year-on-year growth of approximately 37.7% on a consolidated basis and 43.6% on a stand-alone basis. If we adjust the impact of material inflation, our underlying volume or growth is approximately 17.5% on a consolidated basis, and 22% on a stand-alone basis. For me, this is an important number because it demonstrates that our growth is not simply a function of higher commodity prices being passed through to the customers.

There is real underlying growth happening within the business. Our commercial vehicle business is particularly a good example. We have registered approximately 26% growth in commercial vehicle segment, supported by the conversion of some of the businesses we acquired recently into mass production. This is precisely the kind of growth we want to build growth that comes from new customers, new programs, increased wallet share and successful industrialization.

At the same time, Q1 was definitely not an easy quarter on a profitability perspective. The quarter witnessed a significant volatility in the input cost, particularly because of the geopolitical developments in the Middle East, metal prices, gas prices, tooling costs and several other input costs moved sharply. This created pressure across the entire automotive supply chain and Alicon was definitely not an exception. Therefore, while the top line performance was strong, the inflationary environment created a huge pressure on the margins and profitability. This is something we are addressing very aggressively through our operational efficiency initiatives, which I will come to you shortly.

Now if I look at the automotive technology transition, it is very clear that there are most important structural changes which are taking place in the industry, the transition towards the new powertrain technologies. We believe the future automotive landscape will not be defined by a single technology. It will be a combination of ICE vehicles, hybrid and electric and other emerging technologies depending on the application, geography, infrastructure and the customer requirements.

We see particularly a strong potential in hybrid vehicles. Our current assessment is that the hybrid segment could grow an approximate 25% to 30% CAGR over the next several years, while EVs could grow at approximately 20% to 22% CAGR over four to five years of time. This is strategically important for Alicon because we are already well positioned.

We have a strong presence in hybrid vehicles, including supplying the largest hybrid vehicle manufacturing company in India as a single source supplier. This is a significant strategic advantage.

At the same time, our EV portfolio is also expanding. We are supplying products such as electric motor housings, e-axle housings, battery housings, inverter housings to the leading Indian and global companies in the EV ecosystem.

So, we are not betting on one technology, and we are positioning Alicon to participate in the entire evolution of vehicle architecture. And this is where our technology and engineering capabilities become extremely important.

Now with the three words Reset', 'Refocus' and 'Rebuild', let me first talk about what we are trying to Reset. This is the first pillar. When I say Reset, I do not mean starting from 0. We are not changing the basic fundamentals of the company. We are sharpening our strategic intent. The first objective under Reset is to create what I call as an island of excellence. We want Alicon to become an organization where excellence is not dependent on an individual or a particular plant. It becomes a culture. It becomes a system and it becomes the way we operate every day.

One of the most important areas for me personally is people. We are redefining our people policies with the objective of making Alicon one of the most desired workplaces in the industry. Over the last past few months, we have significantly strengthened the organization. We have brought in experienced and highly quality talent across technology, quality, process engineering, human resource, maintenance, safety and manufacturing and supply chain. We have hired some of the best talent from across the industry and the country, and I am particularly pleased with the quality and depth of leadership team that is now coming together. The organization has been rebuilt to prepare Alicon for multiple growth.

Now talking about the Refocused strategy, which is the second pillar. Refocus means being very clear about what we want to play, which customers we want to serve, what capabilities we want to build and importantly, where can we create the highest value. We are looking very closely at our customer portfolio. We are asking ourselves a very simple question. Are we getting enough value from every relationship, every program and every capability that we have built and our objective is to increase value addition.

During the quarter, which has just gone by, we registered an approximate 17.6% growth in our value addition. But we believe there is a considerable headroom ahead. We are, therefore, working extensively on improving our operational efficiency. Every factory, every process and every function is being examined through the lens of productivity, cost and quality.

We are looking at our conversion costs. We are looking at energy consumption, tooling, rejection, rework, health of the machines, logistics, inventory and every single form of waste in the system because in an inflationary environment, we cannot simply rely on the price increases to protect the margins. We have to become structurally more efficient. This is the philosophy behind Refocus. And I believe this will become one of the most important drivers for margin expansion for Alicon over the medium term.

Now talking about Rebuild, which is the third pillar. Rebuild is fundamentally about building the future growth engine of Alicon. This includes rebuilding our customer base, strengthening our order book, adding capacities ahead of demand and creating the manufacturing infrastructure required to support the next phase of growth.

Recently, we announced an investment of approximately Rs. 125 crore over a period of next two years at our leased facility at Shikrapur. The facility is approximately 1.36 lakh square feet. We deliberately chose to lease a facility because we want to significantly reduce our time to market. At this facility, we are investing in GDC, LPDC and machining capabilities to support the recently acquired businesses. Based on our current programs, we expect this facility to generate approximately Rs. 500 crore of annual revenue over a period of four to five years of time. But I want to emphasize one thing. This is just the beginning. We are already evaluating additional opportunities to increase our capacity, and we expect to announce further investments as these opportunities mature.

Our philosophy is now very clear. We will invest behind visible demand, but we will also build capacity ahead of the growth, growth curve where we have strong customer visibility.

Now let me quickly also talk about the recent order book. The other important part of Rebuild strategy is our customer and order book strategy, and I am happy to say that we had a very successful quarter on this front. During the last quarter, we acquired businesses across both automotive and non-automotive segments, which together have the potential to generate more than Rs. 450 crore of revenue over the next five years. This is strategically important because these are not just the incremental orders, they expand our customer base, increase our addressable market and create opportunities for additional programs.

We are also working very closely with several Indian and global customers and expect to book additional high-value orders during the current quarter. Another important milestone is that we have recently gained entry into two large Indian passenger vehicles and commercial vehicle OEMs. And together, we currently have visibility of approximately Rs. 850 crore of business over the next five years with these two customers. And these are the orders which are already booked with them. For Alicon, this is much more than a number. These customers additions strengthen our position in the Indian automotive ecosystem and create a platform for multiple future programs.

At the same time, our relationship with some of the largest global commercial vehicle OEMs continue to grow consistently. We are acquiring multiple programs from these customers on a regular basis. And what is particularly encouraging is that we are now receiving inquiries from global OEMs with whom Alicon has never worked before. That tells us our capabilities, quality standards and technology are increasingly getting recognized globally. We will, of course, update you as these opportunities mature and become firm business wins for us in future.

Now let me quickly also briefly talk about our Europe operations. Our European facility reported lower sales during the quarter, primarily because the production ended for certain parts that had reached the end of production cycle, which is quite normal for an automotive business.

What is important that we have already acquired new businesses, and we expect the European operation to make a strong comeback as these programs ramp up. Our objective remains to build a sustainable and profitable European business with a healthy pipeline of new programs.

Now let me also quickly touch upon our profitability, while the numbers will be taken up by our CFO, Vimal Gupta. Coming to profitability, despite the challenging input cost environment, our performance was better both year-on-year and sequentially on the relevant consolidated and stand-alone comparisons. I would like to put this in context. The quarter was characterized by strong revenue growth, but also by significant volatility in input cost.

Therefore, our immediate focus is on ensuring that the strong top line momentum increasingly translates into profitability. This is where the three pillars come together.

Looking ahead, as I look at Alicon today, I see a company at an important inflection point. We have a strong market behind us. We have technology transitions creating new opportunities. We have a strong leadership team. We have new customers. We have new programs. We have capacity investments underway, and we have a growing pipeline of opportunities across India and global markets.

But I also want to clarify that we are not going to chase growth at any cost. Our ambition is profitable, sustainable and capital-efficient growth. The quality of growth matters to us as much as the quantum of growth. We want to improve our customer mix. We want to increase value additions. We want to improve asset utilization, reduce waste and also, we want to strengthen our margins. And we want to generate superior returns of capital we deploy. Our ambition is, therefore, not simply to become a larger aluminium casting company. Our ambition is to become a technology-led, globally relevant, high-value manufacturing partner to automotive and selected nonautomotive customers. And I believe that we have the right ingredients to achieve that.

With that, I would like to hand over to our CFO, Mr. Vimal Gupta, who will take you through the financial performance for the quarter. Thank you.

**Vimal Gupta:** Thank you, Sumit, and good morning, everyone.

We have commenced FY27 with a strong performance and importantly crossed Rs. 500 crore of quarterly sales for the first time in Alicon's history. During the quarter, total income stood at Rs. 579 crore, growing by 37% year-on-year and 17% on a sequential basis. The EBITDA was Rs. 55 crore with the EBITDA margin of 9.5%. We are pleased to report strong growth in profitability with profit before tax of Rs. 18 crore, growing 45% year-on-year and profit after tax Rs. 12 crore, higher by 23% year-on-year basis.

From a revenue perspective, the quarter was supported by higher volumes and program ramp-up across our domestic business together with steady execution of existing customer programs.

Our international business, however, had a relatively softer quarter. This was largely in line with our expectations as certain mature programs in our European operations are nearing the end of their life cycle, while the next set of programs is yet to ramp up to meaningful production volumes.

As a result, we are currently in transition phase where the decline in legacy business has not yet been fully offset by new program launches. Given that our stand-alone operations continues to deliver stronger profitability, this temporary gap in the international business has, has also had an impact on our consolidated margin profile.

We remain confident that as these new programs move into production over the coming quarters, the performance of our international business will improve progressively. It is important to highlight that the growth during the quarter reflects a combination of volume growth, program ramp-ups, new business execution and the impact of price movement in aluminium base and other alloys.

On the margin side, profitability during the quarter continued to be affected by higher input costs, including aluminium and other alloys as well as increase in employees, energy, logistics and other operating costs. There are three distinct factors to consider when looking at our margin trajectory.

The first is raw material inflation, primarily aluminium and related alloys. These costs are contractually pass-through in nature and are fully recoverable from customers, albeit with the timing lag.

The second relates to manufacturing costs such as labour and other operating overheads. We are actively engaging with customers to recover a part of these costs increases through price revisions. We have already secured approvals from some customers, while discussions with others are progressing well, and we expect further closures during the current quarter.

The third and perhaps the most important from a long-term perspective is improving the underlying cost structure of the business. This is entirely within our control and includes initiatives around productivity, automation, process optimization, manpower efficiency and better absorption of fixed cost and as volume grows. At the same time, we are consciously improving our business mix by increasing the share of higher value-added products involving machining, engineering and more complex manufacturing.

Our objective is, therefore, not merely to recover inflationary costs, it is to improve the structural profitability of the business and build a more resilient margin profile over time. We are confident thatthese initiatives will become increasingly visible in the margin profile as the benefits accumulate and the newer capacities move towards high utilization.

Now coming to capital allocation. The new manufacturing facility announced during the quarter represents an investment of approximately Rs. 125 crore. It would be important to highlight that we are phasing the investment over two to three years rather than deploying the entire amount upfront. The project will be funded primarily through internal accruals supplemented by borrowings as required. The pace of investment will be aligned with the progress of customer programs and the requirements of the facility. This is consistent with how we intend to approach capital allocation more broadly. Investment should be supported by customer demand, have a clear path towards utilization and generate appropriate return over time.

For quarter 1 FY27, capital expenditure was approximately Rs. 40 crore and for the full year, the plan is for approximately Rs. 150 crore. This includes around Rs. 70 crore out of Rs. 125 crore earmarked for the new manufacturing facility.

So, now coming to the outlook. Including the recent order wins in the quarter, Alicon's executable order book stands at approximately Rs. 8,450 crore as on 30th June, which represents executable orders over a period of six years from 2026 to 2031. This does not include programs that are currently ongoing and had already formed part of revenue prior to FY26.

From the financial perspective, therefore, I would summarize our priorities for FY27 in four areas. First, to support 8% to 10% underlying top line growth that we have guided for while maintaining the quality of the growth. Second, progressively improve margins through a combination of customer recovery and internal productivity measures. Third, to deploy capital in line with customer demand and maintain discipline around leverage and cash flow. And fourth, to improve working capital efficiency and to ensure that a greater proportion of our operating performance converts into cash. We recognize that these improvements will not necessarily happen in straight line each quarter, but the focus is very clear, and the initiatives are already underway.

With that, we would now be happy to take your questions. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Raghunandhan N L from Nuvama Research. Please go ahead.

**Raghunandhan N L:** Congratulations, Sumit sir, for the strong first quarter with your leadership, wishing many more milestones ahead. Thank you very much for sharing the order book execution timeline in the presentation. This is very helpful. Two questions.

On the domestic market, good to see strong growth and customer additions. Can you talk about the overseas business, considering maturity of some programs? There was some softness in Q1, how do you see the performance in remaining part of the year and also for next year? Also, if you can provide how do you see the total revenue outlook for FY27? And over a two, three-year basis, a three-year outlook, how would you see the revenue expanding?

**Sumit Bhatnagar:** Thank you, Raghu, for your question. I think you have asked three questions. The first question you have asked is on the performance of our global operations. I think you are talking about the European operations. Okay. So yes, you are right, Raghu. And I have also said that we saw a little downfall in the business volumes at the European operations because some of the critical products reached their end of life. But the good news is we had acquired e-Axle business from one of the largest automotive giants in the world. And this business is already under development. We have already invested in very latest technologies in this plant, which will be the starting point for this plant to be seen as a high-technology plant by the European OEMs. So, this is one.

Secondly, there are some more businesses which are right now under development from some of the big automotive giants in Europe, which will come into SOP towards the later part of the year. So, the slow growth or I would say, the reduced growth what we have seen in the European operations may continue for one or more quarter, which will not be significantly lower than what it has already been. But we see a reversal trend from the last quarter of this financial year. And next year, definitely, we want this plant to be coming back to the normal state. So, this is how it is happening there, but I can tell you that we have already hired, again, a lot of experts in this factory to bring new businesses, work on the technologies and uplift the complete manufacturing part of Europe.

And those investments when they happen, we will definitely come back to you and tell when it is happening. But the new investments on the technology for the new businesses one has already been committed in the last year, and it will show results from the third quarter of this financial year. So, this is one.

Secondly, your question is on how do we see this financial year FY27. If you remember in the last quarter, when we were actually meeting you for the first time, we were talking about a modest growth of 10%. And I clearly remember that investors also had asked me at that time that this looks to be very modest and does not have an aggression. Good that we have a great start, and we want to continue this journey. I can see a growth of approximately 12% to 15% coming in this financial year, which is neutralized to the material effect. So, this is not because of the inflation, but the true growth is approximately 12% to 15%, which I can see in this financial year FY27.

And I think your third question is that how do we see the coming two to three years of time? This is going to be a journey of growth for us. We will make some strategic decisions, which we will be letting you know when they are happening. But this financial year is the year of setting up the capacities. We have invested in one factory. We have plans, which we will only announce you soon, but we may soon come with more investments very early, I would say, in a different part of the country. But before it happens, they will definitely announce our plans about it, but we are working on our strategies, and we will be announcing it soon.

Organically, we see major investments coming in next two years of time. On inorganic growth, there are some plans which I cannot share with you, the investors right now. But I promise you that by the fourth quarter of this financial year, I will also show how inorganically Alicon grows.

And the growth rate what we are indicating for this financial year, definitely, we are looking for a similar growth rate for the next few years as well. I hope that answers Raghu the questions you have asked.

**Raghunandhan N L:** Thank you so much for the detailed answer. And just a clarification. So, in Q1, the actual growth was around 17.5%. So that is the growth you are referring to when you are taking a one-year and a three-year outlook. Is that right, sir?

**Sumit Bhatnagar:** Yes, that is right. That is the right assumption.

**Raghunandhan N L:** Wonderful sir. Thank you so much. Second question to Vimal, sir, on the margin side. Sir, good to see Rs. 18 crore PBT in Q1, which is a 20% growth Y-o-Y, a strong performance. On the margin side, how do you see the receipt of that price increase from customers for the various cost inflation in coming quarters? How do you see the margin outlook for coming quarters and taking a two-year view, where do you want the margin to go back? If I talk FY28, FY29, how is the aspiration? Where do you want to take the margin levels back?

**Vimal Gupta:** Yes Raghu, first, if you go for the margins for the last year, it was approximately 11.4%, I remember. And this quarter also, we have reached up to that same level that we had in the last year, even after having lot of impact of the cost increases, the inflation we have seen.

Against that we got some corrections from the customers, but not full. So those are under discussion and maybe some part we will get in quarter 2 and maybe quarter 3 also because you know that OEMs, they do not give all corrections immediately. So, they take time and all these things are happening. So, for this year, on the growth side, Sumit has already explained 12% to 15% growth we are expecting by neutralizing the impact of the aluminium.

On the other, we are also expecting at least 1% improvement in the EBITDA margins. So this is our expectation for this year and hopefully, that maybe, what you are talking about in the next two to three years, progress like what we are investing on that basis.

And further, it will improve only, I can say, but it is difficult to give the guidance for the future for that, because a lot of initiatives we are taking on the cost side and our business restructuring as well as giving the more focus on the high VA and the high-margin parts.

**Sumit Bhatnagar:** So, we can only tell Raghu, that we will be progressively looking for improving the margins as well in the coming years.

**Raghunandhan N L:** Wonderful. The direction is positive and the outlook is bright. Thank you. Thank you so much, sir. I will come back in the queue for more questions.

**Moderator:** Thank you. We take the next question from the line of Avinash Nahata from Parami Financial Services. Please go ahead.

**Avinash Nahata:** Yes. So, the first question is when we are talking about Rs. 8,000 crore order book, can you talk about how much is non-automotive built into this, the six years visibility what we have provided?

**Rajiv Gupta:** Non-automotive?

**Avinash Nahata:** Yes. I need to understand the how is non-automotive shaping up in terms of order book and future revenue booking?

**Rajiv Gupta:** Yes. Out of this order book of Rs. 8,450 crore, we see at this moment, the non-auto visibility is 2%. So, this is roughly around Rs. 126 crore.

**Sumit Bhatnagar:** Also to add to this, this number of 2% is as per the order book, but this is definitely a pie which we want to expand in the next few years from now.

**Avinash Nahata:** Okay. So incrementally, so since we talked about Refocus, so non-automotive casting business, so is there a new set of team hired for this business? Can you just spend one minute on this?

**Sumit Bhatnagar:** So okay. So, it is a very, very good question. So, we are creating a completely different vertical for our non-automotive sales. The sales and marketing team, which we have just created is completely independent from the marketing team, which is handing the automotive business. And as we have to grow this business, we will also strategically put more resources to this team so that they are taking complete account of this vertical separately. And but the marketing people are already included separately.

**Avinash Nahata:** So, based on whatever team we are building, so there is obviously a lead time when they go to market and position our facility, our capability. So, when do you incrementally start seeing order booking? I mean, which quarters we can hear, 3 quarters from now, 4 quarters from now that inquiries and order bookings have started?

**Sumit Bhatnagar:** All right. So just to tell you, it has already started. And just to tell you that we had recently won a business in non-auto segment and which is for HVAC facility for data servers. Now this is a business which is going to be starting from India, but it will be soon growing globally into all parts of the world. We have not announced the potential of this business because there are some formalities which are still due with the customers to be signed up. But this has already started. That is number one.

Number two, we are already doing some businesses in the defence segment, which is a non-automotive segment. And this business RFQs we are continuously handling and attending to. And very recently, and I think I should have included in my speech, very recently, we have also got into the tractor segment. And we have got the first ever business in the tractor segment for a cylinder head, which will be going to the largest tractor manufacturer of the world. Just to also maybe tell you, generally in tractors, this product is traditionally a cast iron product, but customers are now exploring the aluminium options, and we are the first one in the world to be able to give them this solution, and we have already won the business.

This business currently looks small, but it has a huge potential because eventually, this is the future, and it will be replacing cast iron cylinder heads and tractors in time to come. So, these are some of the things which I did not explain in the meet, but I can tell you that these are add-ons, which will be adding up to the order books in time to come. So yes, right now, it is 2% it looks slow, but this number will begin to change by end of this year, to give a precise answer to you.

**Avinash Nahata:** Sorry, just to clarify, the first thing you spoke about is HVAC, is it?

**Sumit Bhatnagar:** No. See, what happens is in the global data centers, what happens nowadays big companies like Amazon or Danfoss, they build huge global data centers where they use HVAC to completely cool the facilities. When HVACs are used to cool the facilities, then there are a lot of consumption of compressors and the related housing, which comes from aluminium. Now this is a segment which was never untapped or untouched, and this is where we have got a business from a global company to begin with for India. And then the same part will be used in various locations in North America as well as in Europe.

**Avinash Nahata:** So, this is housing part of it?

**Sumit Bhatnagar:** See, because we are basically the aluminium experts and technology in aluminium. So, we will be doing the aluminium housing for these compressors, which are going to be using huge volumes, which will be a nonautomotive segment for us. Industrial.

**Avinash Nahata:** Okay. I have two small questions more. The second is, is it possible to share tonnage for domestic and European business, which we did last year and on this particular quarter? And third is, for our European businesses, what are our fixed cost?

**Sumit Bhatnagar:** See, I think if you are talking about tonnage, just allow me a few seconds. We had done approximately 9,000 tons in the last quarter. Let me just tell you precisely.

**Avinash Nahata:** This is stand-alone?

**Sumit Bhatnagar** No, no. This is on the consolidated basis. Let me just have a look. So, the tonnage in our European facility is very less. So, if I say we have done 9,124 tons, only 150 tons to 200 tons is what we do in Europe. So, it is very miniscule at this point of time. So that means everything is basically on a stand-alone basis.

And if you ask me how much tonnage we did last quarter or last year, I do not know. But if you talk about last quarter, so we have done close to 1% higher tonnage as compared to the last quarter. While our sales growth, you can see is much more than that, we have shifted to some high value addition parts and high revenue parts, which this is why even on a quite similar tonnage, our revenues are looking much better.

**Avinash Nahata:** Understood. And similarly, FY26, what tonnage we did for stand-alone?

**Sumit Bhatnagar:** FY26 stand-alone, that is what I am saying. This tonnage was around 9,000 tons in the quarter 1, which we have done 9,124 tons in quarter 1 of this financial year. So, this is 124 tons higher as compared to the last year. But last year, the tonnage was higher in the European operations. But 100 tons is only a differential which is coming because of the European operations. So, tonnage-wise, it is a little ahead of the last financial year. Last quarter, sorry, not last financial, last quarter.

**Avinash Nahata:** Yes, I understood that. I was asking about the entire FY26.

**Sumit Bhatnagar:** Just give me a moment. I will just come back to you in a minute. My team is just looking at the last year data. Just allow me a minute till the time I go to the data.

**Moderator:** Thank you. We take the next question from the line of Bhavya Doshi from Sushil Finance. Please go ahead.

**Bhavya Doshi:** Hi, thank you for this opportunity. So, my first question is the first quarter had 17% volume growth. And your comments said you guided about 10% to 12% growth. So, are we going to see volume growth slowdown in the further quarters?

**Sumit Bhatnagar:** I will just correct, I think I did not say 10% to 12%. I said 12% to 15%. So yes, 17% is what we have achieved. And overall, 12% to 15%, so thing is right. Still, we are not out of the complete volatility. We have to watch quarter-by-quarter. We will be very happy to do more, but this is something which I can tell is clearly visible to us at this point of time. But there is no clear reason why there should be a slowdown as of now.

**Bhavya Doshi:** Okay. My next question is, how is the standard order procedure shaping up for new projects? And what are the expected order wins for the rest of the year?

**Sumit Bhatnagar:** So, I think all the businesses which we have acquired, they are well on course on development. There is a complete process they follow till the time they reach the market. You are already aware that our new capacities are coming up, and we expect our SOP in those facilities to come by March 2027, which would be within six months of acquiring the plant. And most of the order books, which we have already booked with the customers, they are all going to be going from the new facility. And so, they are all on track. And if you talk about the order book for the rest of the year, I think it is quite similar to the acquisitions which we have done in the previous quarter. I have already let you know how much we acquired in the last quarter. And we see absolutely a similar growth pattern in the rest of the quarters as well.

**Bhavya Doshi:** Okay. And so, the margin for Q1 was 9%, while for FY26 was 11%. You said there will be a margin improvement. So, will it be compared to FY26 or this quarter?

**Vimal Gupta:** No. This quarter, we have the margin of 9.5% against 11.4% for the last year. But I have also explained that the adjusted margin is 11.4% for this quarter when we remove the impact of the aluminum.

**Bhavya Doshi:** Okay. So, the margin improvement will be in general, right?

**Vimal Gupta:** Yes.

**Bhavya Doshi:** Let say, it will be 12%. You said 1% improvement of this.

**Vimal Gupta:** Yes. I explained to you, in this year, we are expecting to improve by 1%.

**Bhavya Doshi:** Okay. And my last question is, so you said new plant where you are doing Rs. 125 crore of capex will generate Rs. 500 crore annual revenue. Did I hear that right?

**Sumit Bhatnagar:** Yes, you got that right. In 4 years, 5 years of time. That is right. All right. So, before we go to the next question, just to answer to the question which was asked before this on the total tonnage of the last financial year, it was 34,000 Tonnes.

**Moderator:** Thank you. We take the next question from the line of Riddhesh Ram Gandhi from Discover Capital. Please go ahead.

**Riddhesh Gandhi:** Hi, sir. Just had a few questions. Firstly was, if you can update us on the JLR EV expectations on when we see the orders hitting our revenues?

**Sumit Bhatnagar:** All right. So, I think it is an interesting question, and I can clearly understand why. See, the JLR EV dispatches and consumptions have already started. So, this vehicle, I think, is already due to be launched very, very soon. And the productions have already started in JLR. And currently, we are expected to supply them at a rate of 600 sets per week. And we already have an indication from JLR that this number would further increase from Jan 2027. And I cannot reveal those numbers because of our confidentiality with JLR. But I can only tell you that the consumption have started. And next year onwards, these numbers are going to further increase.

**Riddhesh Gandhi:** And this has started and it is already reflecting in the first quarter or it will reflect from Q2 onwards?

**Sumit Bhatnagar:** That is very marginally, very marginally reflecting in the first quarter. They have not completely peaked, but we expect them to peak by quarter three of this calendar year.

**Riddhesh Gandhi:** Got it. Sir, the other question was, obviously, in our revenue growth, there is an element of aluminum price increases. So, while the revenue is higher, obviously, margins would be lower, but absolute EBITDA hopefully would be higher. So, if we adjust for effectively the aluminum price increases, what is actual growth in Q1 been?

**Sumit Bhatnagar:** So, I think I did explain while I was talking, the actual growth neutralizing the impact of aluminum was around 17%. And on the stand-alone basis, if you see, then this growth was actually 22%, which is adjusting the aluminum impact.

**Riddhesh Gandhi:** Got it. Sir, and then, is there any lag impact of the price increases in terms of, that we expect the increases to be passed on, therefore slightly higher profitability as the lag effect catches up, or is it immediate pass on of pricing?

**Sumit Bhatnagar:** See, just to tell you, during the inflation and the prices and they went up, some of the largest companies and OEMs of the country, they made it online. So, while there used to be a lag of a quarter, but they made it to be back-to-back from 1 April. So, as we are sitting end of the quarter, there is nothing which is going to be impacting us in future, as compared to what we have already shown.

**Riddhesh Gandhi:** So, it is an immediate pass-through effect.

**Sumit Bhatnagar:** Just for aluminum. That is right.

**Riddhesh Gandhi:** Sir, and there is obviously been a reasonable increase in freight prices as well. You know, so is that also impacting us or are we able to pass that on as well?

**Sumit Bhatnagar:** So, generally, there are two models in which we operate. In some of the models where the freight prices are substantially high, some of the OEMs pick up the material from our place and then take it. So, it does not affect us. But it does affect in rest of the cases, and these are the cases which are already in discussion with the customer as a part of all the inflationary increases. And as we have already said, some increases are already accounted for, which we have already got a confirmation, but some are in discussion, which we should be able to conclude in this quarter.

**Riddhesh Gandhi:** Got it. Sir, and, you know, you had indicated the products for data centers which we are in early stages of evaluating, you know? How large could potentially this overall market be? Is it reasonably large in terms of size and can sort of have a material impact on the business? Or is it a sort of small industry?

**Rajiv Gupta:** See, we started with India and they have already confirmed in the next 2 quarters, they are going to open up the Europe market and thereafter Mexico. So, this is just to start with one customer, but we have done a survey, and we see a great potential. I mean there are near about seven to eight such aluminum parts, which we can name. And also, we have listed down various other customers which we can tap. So, we have considered this as a special project seeing the futuristic growth expansion and that we are going to watch.

**Riddhesh Gandhi:** Got it. And in terms of capacity utilization, what levels are we at right now?

**Sumit Bhatnagar:** So, okay. See, currently, in the last quarter, we have reached close to 100%. It is more than 90% for sure. And that is exactly the reason that we are now quickly setting up a new facility. And maybe we have some more by end of this year, which we will let you know soon.

**Riddhesh Gandhi:** Sir, but just to understand, if we are already close to full capacity utilization, you know, our revenue and profitability is not sort of reflecting an extremely attractive ROCE, you know? So, is it that as this capacity gets full, we moved into higher-end products? So, how do you like look at that because if we are already the full and yet our return ratios are not particularly attractive, you know? I mean, then have we just sort of invested in a capex, which has not been particularly actually fruitful from a return perspective?

**Sumit Bhatnagar:** So, I think it is a very, very fair question. See, if you would have already observed that in the last quarter, and even though our tonnages have not substantially increased over the previous time, our value has substantially changed. There is clearly a change in the way we are acquiring the new businesses.

Traditionally, for past many, many years, we have been mostly known as into 2-wheeler products only. But we were not into a high-value game. But I think this is very clear that all the acquisitions which we are doing, since at least last one year are only into high-value propositions only, and that is why it is changing very fast.

I have already said that we are relooking at all our customer portfolios. We are freeing the capacities. We will free up some more capacities in the next 2 quarters, and we will allocate it to the higher-value products. And all those things are in plan to really make sure that ROCE improves from there onwards.

**Riddhesh Gandhi:** Got it. So, if I understand is because utilization levels were low, you took orders, which may not have been particularly good. Now, as utilization has increased, you are looking to reallocate capacity to products which will give us higher, you know, profitability and margins as well.

**Sumit Bhatnagar:** See, this is not true. See, if you look at automotive industry, and if you really look at 2-wheeler and CV and PV segments, any company, any automotive company who is operating in these three segments have different margin expectations from these segments. While 2-wheeler is a high-volume market, which is mostly commoditized, you generally do not find very high margins in these products.

As I said that Alicon began with 2-wheeler. For many, many years, we were there. But also, to tell you that we have intentionally reduced our market share in 2-wheeler segment by 1% to 2%.And this is basically because we want to allocate the capacities now for higher-value products. Yes, we have some very, very critical and very valuable customers with us. We will stick with them forever. But definitely, this is not a segment where we are planning to grow. And this is not a segment we are really going aggressively to acquire new businesses.

So, that is the reason. We are actually relooking at our existing capacities, freeing up the capacities, which really we want to get rid of and then finally adding higher value businesses.

But it is a business process. We started with 2-wheelers, then we went to passenger cars, then we went to grow exports. And now we are also going to industrial and defence. Now, this is completely the way Alicon has worked so far, and it will be completely changing the way of working in future as well.

**Riddhesh Gandhi:** Got it. Sir, then because if we look at it, right, in terms of even if we annualize Q1, you know, your ROCE are still sort of, you know, in very, very low, like, double even digits, right? Or so, you would expect that to sort of inch towards, this is what I wanted to understand in terms of like capex, what is your internal threshold in terms of the payback period or steady-state ROCE? How do you look at in terms of capex?

**Sumit Bhatnagar:** See, there are a few things. See, once I said that we are in the process of freeing up some capacities. I think we need to also understand that we do not tell a customer that we do not supply them tomorrow. There is always a process of handover and changeover, and which takes some time. It takes from 6 months to 8 months of time, but we have already initiated that. That is number one.

When you talk about the paybacks on the capex, generally, in our kind of setup, the paybacks are generally typically 3 years to 4 years, which is quite impressive. And I can only tell you that ROCE, which yes, today does not look so impressive, but this definitely is on an increasing trend, and it will soon come into a very desirable number.

**Vimal Gupta:** Importantly, in the ROCE, one more issue we have to understand that some businesses where we are bleeding, like when we are talking about JLR. So, you know, we have put up the investments and we are not able to finish the orders. So, there is a delay in the SOP. So, those areas where investments are there, but there is no return, even we are in the losses. So, those are going to be turned around in this year. That is what we are talking about.

**Sumit Bhatnagar:** And I think if you only look at numbers, the last financial year, our ROCE was as low as 10.7%, which already is looking at 15% by only minor tweaks, which we have done in the business process. So, this is definitely very rewarding, and I think it should fall in place soon.

**Riddhesh Gandhi:** Got it, sir. It is extremely promising. Thank you so much.

**Sumit Bhatnagar:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Atharva Deshmukh from MM Capital. Please go ahead.

**Atharva Deshmukh:** Hello. Thank you for the opportunity. My question was on the other new plant, which you are building in Pune. Can you give some idea on the timeline and the capacity of the new project that you are doing Rs. 125 crore project?

**Sumit Bhatnagar:** So, the timelines, we are taking the possession of the factory on 1 of September this year. It is already a built-up factory, which is 135,000 square feet. Location from our existing factory in Shikrapur, is 5 kilometers away on the main road. So, it is a very, very nicely located place.

In terms of timelines, we are looking for going in SOP into this factory by March 2027 or just towards the end of the financial year. And in terms of capacity, as I have said, we are looking for generating a revenue of around Rs. 500 crore in this factory. But this is something which can also go up a little bit more. But the investments what we are making today can generate a revenue of Rs. 500 crore on this facility.

**Atharva Deshmukh:** Are you planning to ramp it up slowly as the orders come up? Or you already have the orders, and you are planning to directly start it? How is it going to be?

**Sumit Bhatnagar:** So, as of now, every single business which we will do in this factory, we have already committed order. So, we are not going to be looking for new orders to come into this factory. But the question is for the future growth, we will be making further investments, which we will inform you soon.

**Atharva Deshmukh:** Okay. So, as you said your tonnage for FY26 was 34,000. So, can you give a tonnage capacity similar for your new plant, how much tonnage?

**Sumit Bhatnagar:** So, usually, whenever we put up a new factory, we make sure that we at least have a tonnage capacity of 3,000 tons. And if you are talking about this factory in which we are in discussion, and this would be having a much higher tonnage capacity. And we are looking for at least it to gradually go up. But to begin with, we will start with 3,000 tons, which will go up to 7,000 tons in time to come.

**Atharva Deshmukh:** Okay. 3,000 to 7,000 max.

**Sumit Bhatnagar:** That is right.

**Atharva Deshmukh:** Yes. And one more question. On your onetime expenses, which you occurred last time, are you expecting any such onetime expenses going ahead?

**Vimal Gupta:** At this moment, we do not see anything, but it can happen in the business.

**Sumit Bhatnagar:** As of now, there is no such visibility of the kind of actions to be required.

**Moderator:** Thank you. We take the next question from the line of Ramesh from SJ Investments. Please go ahead.

**Ramesh:** Yes, sir. It is impressive that what the company is going on realizing that some things might are not working out. You mentioned that order book execution this time is a lot more concrete than last time because over the last few years also, we mentioned a concrete order book, which has not materialized. Could you explain what is exactly changing from then versus now? Because this order book discussion has been happening for many quarters, but it has not materialized meaningfully over the last few years, either in margins or anything. Could you just tell what is exactly changing from then to now?

**Rajiv Gupta:** Yes. If you take you back maybe 7 years-8 years ago, I think it was '18-'19 the second half of '18-'19 when we noted the automotive numbers were declining. And that time, we noted that we need to aggressively work on the numbers, and we came up with strategies to increase the penetration in other segments also. And even EV was a bust. So, we extensively added business in EV. Unfortunately, EV, the way it was to be grown, it did not happen. And that is the reason we got a hit. If you see projects like JLR or a few other customers also, the volumes have gone down or the SOP has extended. So, there we got a hit. Also , we try to look for critical complex parts just to give more value additions.

So, there we had a challenge. But now, we have made a very clear strategy on which parts we can aim. For example, we are high with cylinder head. Yes, we are making cylinders since long over the years, be 2-wheeler, 3-wheeler passenger or commercial.

Today, I supply 1 million cylinders for the passenger vehicle. And we also noticed the ICE or the hybrid engines, the volumes are going to increase. So, with that focus, we are aiming such customers. And that is the reason now we are quite confident the realization what we are talking on such components because these are regular ICE components and even the validation period of such components is on a lesser time compared to the critical complex EV because if you talk about EV, for example, I am supplying to a Tier 1 company, they have a validation period. Then, even the end customer has a validation period. So, on such scenarios, I see a quick realization with the current order books.

**Ramesh:** So, basically, sir, you are mentioning that EV because EV bet has not worked out completely, you are going back to traditional whereas ICE vehicles itself.

**Sumit Bhatnagar:** Yes and the lead time for EV was much higher. See, it is not only the vehicle itself, but even as a component. I think since you are already following us, you would know that e-Axle, which we have developed for a larger OEM in UK, it went through a development time itself for 2 years to 3 years' time, which is not generally a lead time for a product what we conventionally do.

So, these are high new technology products, not only for us also for the OEMs. And most of the high-technology businesses, which we have won in the last 2 years to 3 years of time, they had much, much larger development period as compared to the traditional products. But the way where we are showing the growth now, they are most of the traditional products and the customers where we have not been there.

They have contributed very quickly to our sales growth, which is a very positive thing, but we will continue our work on EV and hybrid because this is future. So, we want to be ready at the moment the demand picks up. And that is the reason maybe we are not able to show a lot of order commitment being fulfilled in the past as compared to what you are imagining, or you can witness it now.

**Ramesh:** Understood, sir. So, you mentioned the order book, sir. Could you give a bifurcation between electric vehicles versus, let is say, ICE and hybrid? Like how is the overall split?

**Rajiv Gupta:** In this pie, the electric vehicle is around 16% and hybrid is around 12%.

**Ramesh:** And the remaining is ICE plus 2-wheelers, is it, sir?

**Rajiv Gupta:** Yes. Remaining is also we are aiming in segment called structural. So, this is the area which is common to be ICE, EV or hybrid engines. So, that also is contributing to about 10%.

**Ramesh:** Understood, sir. Sir, and one more thing just to understand the developmental cost process. So, over the last few years, we spent hundreds of crore. Most of our internal accruals went into development. So, could you explain what exactly went into development because our capacity has not increased meaningfully, but there has been a huge expense that has happened over the last few years.

Could you explain where did that money exactly go to just get an understanding because last few years, we spent meaningfully. Just trying to understand where has that went.

**Vimal Gupta:** Development spends when we bring the new parts. So, for that till when we go for the PPAP, we have to spend a lot of testing.

**Rajiv Gupta:** Also, the new parts, whatever we are adding is a highly critical full machine solution part, which we are aiming, which calls for a specific investment with respect to the product of that part. Unlike previously, if you see we are more into 2-wheelers where the opportunity or the scope for us was only for our casts or a very limited machining. But here, we are talking about going to end-to-end solution where customers can use such parts in the assembly directly.

**Vimal Gupta:** Those are the critical parts where we have to allocate our capacities as well as spend a lot of money on that.

**Rajiv Gupta:** Additionally, these are bigger parts, bigger in weight, bigger in sizes, which calls for a bigger size of machines because yes, we were doing traditionally, say, components near about, say, I mean, the maximum what we are covering taking care initially was, say, 12 kg to 15 kg, which we have now increased to even 28 kg to 30 kg. So, this is size the weight or the bed size of such parts, which calls for new investments. So, that is the reason such development cost has increased.

**Ramesh:** So, basically, all the money that was spent last year, we had to change overall all the machines, even though the capacity has not changed because the size of each product you are changing, you had to almost change all the machinery, is it?

**Vimal Gupta:** Yes. We have to allocate those capacities as well as the complete dedicated team is working there. So, all these costs we have to incur.

**Ramesh:** Sir, during these development costs, how much is, let is say, tangible versus intangible assets that we will be spending? And when I refer to intangibles is the employee cost plus testing versus, let is say, the machinery?

**Vimal Gupta:** Intangible, I think maybe in the last year, I do not remember the exact figure, maybe Rs. 18 crore-Rs. 20 crore like that. So, quarterly, Rs. 3 crore to Rs. 5 crore we are spending on this because all new critical parts and dedicated team is there. So, like special alloys and then those alloys generally, we are not able to reuse, so such type of expenses are there.

**Ramesh:** Got it, sir. So, as of now, you have mentioned that a clear territory towards going towards passenger vehicles. But we had lot of plans in non-auto also, and I understand the data center plan is coming process, but in our overall pie, it would not contribute meaningfully. Are we actively digressing from non-auto diversification? Or how is it right now? How are we looking at it?

**Sumit Bhatnagar:** So, we have just started this process only 7 months to 8 months back. I said that we have a headway in this direction. We have now a team. This will begin to show some positive results by end of this financial year. And definitely, this will grow from next year onwards.

So, I would not say that we want to digress from automotive, but I would say that we want to increase automotive to change the pie because automotive is something which is still a very, very dominant and prominent part of Alicon growth and could always be in the same. But yes, we want to increase our industrial presence so that pie changes.

**Ramesh:** The only reason I asked is because in the past, we had like as high as a quarter of the revenue expected to come from non-auto, but now it is low single digits. So, do we expect it to be in this range for the next few years? Or do we want it to get back to our old guidance of getting to that high percentage of contribution?

**Sumit Bhatnagar:** So, that is clearly still an aspiration. There is no change to that. But yes, I think as of now, I am not saying that we are reaching our aspiration in immediate 1 year of time or 1.5 years of time. But I can at least tell you that, yes, by end of next financial year, definitely, this pie will positively change towards the aspiration numbers but not actually reaching there completely.

**Ramesh:** Got it, sir. So, just trying to understand the competitive intensity because at least the aluminum die casting capacity has increased substantially in the country. And I understand Alicon has special expertise that other people do not have. But are we facing any competitive pressure because automotive industry is notorious for beating down on prices, especially with the suppliers. So, how is that in 2-wheeler versus 4-wheeler right now? And how do you expect it to change?

**Sumit Bhatnagar:** So, I think this situation has been there for last 20 years-30 years. It has not changed. I can only tell you without naming any of the customers or the suppliers that a lot of new acquisitions which we have recently done in some of the Indian OEMs were mainly not completely new development, but there were immediate transfer of tooling from them to us because of our special ability to do these products who nobody else can do. So, once you have some differentiation on your technology or know-how, generally, you do not fight into the same league as anybody else.

As of now, I can only tell you that in Alicon, we are not fighting on the prices. And even the customers know that this technology is so critical that you may own similar machines, but not everybody will do the products in the same way. But yes, and this pressure has been there always. It is not now. It has been there. Yes, the competition is increasing. We cannot sit idle. We cannot be complacent 100%. But at the same time, we are continuously working to also upgrade our process technology, our R&D, our tool know-how so that we continue to stay above the competition when it comes to the technology, and this is how it is going to be.

**Ramesh:** Understood, sir. Sir, I think in the past con-calls also management mentioned a specific customer also. Let us not get diverse from that. Just trying to understand in terms of margins, prior to 2020, we had margins of 11% to 12%. But since we are doing these critical components and moving to 4-wheeler vehicles and passenger vehicles, do we expect it to go to the 14% mark to 15% mark, sir, especially because we are doing machining and remaining tooling also. Do you think that is a possibility?

**Sumit Bhatnagar:** See, there is no reason I would say that there is no such possibility. Yes, there is a possibility. And I can only tell you that these are some of the aspiration numbers the team is working hard towards.

**Ramesh:** But sir, is it going to be in the next few years? Or would it take longer than that?

**Sumit Bhatnagar:** See, it is difficult to answer this question immediately to you, but I can tell you that we are working aggressively in that direction. And we would love to do newer things to make sure that this number does not only remain in our aspirations.

**Ramesh:** Understood, sir. Sir, just trying to understand how different is the 2-wheeler versus non-2-passenger vehicle thing. So, in terms of margins, how will it be very different compared to 2-wheelers versus 4-wheelers?

**Sumit Bhatnagar:** The products in 4-wheeler are much higher in weight. They are more critical to produce, and they are susceptible to higher rejections if you do not have the right process. These are bigger machines. So, as the machine sizes go up, the criticality of the product goes up. And if the criticality of product goes up, the value additions also go up. And that is the main difference between the 2-wheeler and the 4-wheeler parts.

So, even though we may say that we make a cylinder head for a 2-wheeler bike or we make a cylinder head for a car, there is no comparison, neither on the size of the machine nor on the kind of the process nor on the metallurgy of the material. Everything is different.

And that is how the value additions on PV side is always much higher. You can imagine a 2 kg product versus a 14 kg product going on a machine. And if you do not do it right, then it is all rejected and goes back to melting. And that is where the value additions are higher on PV side.

**Ramesh:** Got it, sir. And rejection is our responsibility, sir? Once the dispatch happens, it is the OEM is responsibility. How does it work?

**Sumit Bhatnagar:** See, usually, there are all types of challenges. See most of the cases, and that is an industry norm, I am not only talking about Alicon. If you are sending a semi-finished product and the defects are found during the finishing of the product, which is related to the casting, it is a responsibility of the supplier.

But if there is a defect which is generated by the person who is doing the finishing, it is their responsibility, and this is how it happens. But that is very common for any automotive component. There is nothing different for our products.

**Ramesh:** Of course, sir. Understood. Sir, just trying to understand machining-wise, in the passenger vehicles, what percentage of our tonnage that we supply to the customer? How much of it is machined versus non-machined?

**Rajiv Gupta:** At this moment, this is in tune to 65% to 70%.

**Ramesh:** Okay, sir. And this ratio will remain more or less the same, sir, as we scale? Or we can go to 50%?

**Sumit Bhatnagar:** No. This ratio is going to change, definitely. This number is going to increase. And now, these are some of the plans which we will also share with you in the upcoming meetings. We are going to be also investing on in-house machining as time goes. That increase will come up.

**Ramesh:** Got it, sir. Sir, you mentioned regarding a team, right? So, you mentioned that you made a lot of strategic key hires and some things. So, I was just trying to understand what was it different before? Was it the fact that we were understaffed in marketing or something like that? Or it was just that the drive was not there with the previous staff?

**Sumit Bhatnagar:** Yes. I think it is not fair for me to talk about something which was there in the past. I can only tell you that the way I am trying to structure it is basically to make sure that we are quite ready for much, much higher growth and returns in the future.

So, maybe this was not the way it was handled in the past, but I do not want to comment on that because that is past. But I can only tell you that the way organization is structured now, this team is really ready to take much, much more higher challenges and growth rates in the future. That is what I can tell you.

**Ramesh:** Got it, sir. And sorry, just one more split, sir, regarding the Rs. 8,000 crore. How much of it is exports, let is say, non-India revenue going to be versus India revenue?

**Rajiv Gupta:** On the new business, exports is near about 40%.

**Ramesh:** Got it, sir. And how much of that 40% value would be with our international company versus domestically?

**Rajiv Gupta:** I think this would be around 30% for the deemed exports. That is the domestic one out of the total pie of 40%. Yes.

**Ramesh:** Got it. So, do we have any plans of expanding our international plant? Because you mentioned that it is not that high capacity. Is it worth expanding or is it worth changing? Or is it worth changing? Like, how was it worth? Or is worth completely removing because the gas price and everything changed the economics for castings there, right? Just trying to understand if it would be prudent to just remove the manufacturing capacity there.

**Sumit Bhatnagar:** See, if you look at our location there in Europe, strategically, we are at the best place in Europe. So, if you look at the foundry situation in the entire Europe, the industry is not doing very well because of rampant change in the manpower prices and the power cost. But still strategically, where we are located in, which is in Slovakia is still one of the best places for anybody to go and make investments.

So, I have already said that our target is to grow this company. Again, we have already enabled a lot of the levers which will make sure that this plant grows. As the growth happens, we will definitely not shy away from making investments in Europe. But we are not looking at a second geographical location as of now.

**Ramesh:** But is there potential that we can add more capacity in existing locations?

**Sumit Bhatnagar:** 100%, yes. There is still a place. We can do automation. We can also add more machines. That is not a challenge for us.

**Ramesh:** Got it, sir. And with regards to Indian capacity, sir, you mentioned that we will be spending to get a capacity of 10,000 tons more. That is, I think, like 20% of our extra capacity. But with the revenue trajectory we have planned, we will need a lot more capacity right, sir. Will it be like adding more automation or will be further putting more and more plants?

**Sumit Bhatnagar:** See, automation is something which any which way we are doing. See, this plant which we are bringing in will be quite different to the conventional plants of Alicon, where you will see more number of robots as you see in any of the other Alicon plants. And the flow of material is going to be completely streamlined. We will do most of the job in-house. So yes, we do not want to really keep adding a plant unless until it is really justifiable.

But this plant, which we are planning is going to be a state-of-the-art facility where we will see the most modern way of manufacturing in terms of whether it is casting or machining. But we will be very mindful before making new investments for the new factory, and we are also planning automations in our existing locations to increase the current capacities. So, the new plant will be only an option once we are thoroughly convinced that we are absolutely exhausted.

**Ramesh:** Understood. Sir, you mentioned in your presentation that the anticipated production schedule, you mentioned Rs. 1,600 crore by 2030 that you have planned. So, would it be on top of the existing revenues?

**Sumit Bhatnagar:** See, okay. Now, I think the number which is shared by Vimal, I think it is already included in that. This is around Rs. 8,450 crore. This is already included in that. What I only mentioned is these are the very recent developments which are either in the last quarter or slightly before that.

**Ramesh:** So, sir, in terms of revenue, so what is the plan exactly? Because as far as I understand in the presentation, you mentioned Rs. 600 crore, I am assuming it is all new orders on top of the existing orders. Is that a right assumption?

**Sumit Bhatnagar:** So, you are talking about my speech when I spoke?

**Ramesh:** No, sir. I am talking about the investor presentation.

**Rajiv Gupta:** No. It includes the recent past additions also, including last 3 years to 4 years businesses what we have added, it includes those also.

**Ramesh:** Okay, sir.

**Sumit Bhatnagar:** In fact, 4 years, yes.

**Ramesh:** Got it, sir. So, by 2030, we expect to almost double our revenues. Correct, sir?

**Rajiv Gupta:** Yes. That is the plan, yes. That is right.

**Ramesh:** Got it. So, doubling our revenues, but the capacity, you only have 20% in line. So, just trying to understand, are there going to be further a lot more investments going in.

**Sumit Bhatnagar:** Yes, I already said that. I think you will listen more from us very soon. Yes, there are more investments going to happen for sure.

**Moderator:** Thank you. Ladies and gentlemen, with that, we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

**Sumit Bhatnagar:** All right. Thank you, everyone, for your questions and for taking your time to join us today. We value your dialogue and appreciate your continued interest in Alicon. And as we have discussed today, we see good opportunities ahead of us, but we also recognize that there is a lot of work to do.

Our priority is to build on the progress we have made this quarter, strengthening our relationship with customers, improving our operations and continuing to invest where we see clear opportunities for growth.

Some of these initiatives will take time to translate fully into financial results, but we will remain focused on executing them and well on time. We will also remain disciplined in how we deploy capital and most importantly, stay focused on improving the quality and profitability of our business.

We are encouraged by the progress we are seeing, and we remain confident in the opportunities ahead. We look forward to updating you on our progress in the coming quarters and best wishes and Happy Independence Day to all of you in advance. Thank you.

**Moderator:** Thank you, sir. On behalf of Alicon Castalloy Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

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