

22nd May, 2025

*National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex
Bandra (E), Mumbai – 400051*
Symbol -TEXRAIL

*BSE Limited
P. J. Towers,
Dalal Street,
Mumbai – 400001*
Scrip Code - 533326

Dear Sirs,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the transcript of the Conference Call with analyst / investor(s) held on Saturday, 17th May, 2025 at 11:30 a.m. (IST).

The same has been uploaded on the website of the Company i.e. <https://www.texmaco.in/wp-content/uploads/2025/05/ICICISec-TextmacoRail-May17-2025.pdf>.

We would also like to confirm that no unpublished price sensitive information was shared / discussed during the Conference Call.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Texmaco Rail & Engineering Limited**

Sandeep Kumar Sultania
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“Texmaco Rail & Engineering Limited Q4 FY ‘25 Earnings Conference Call”

May 17, 2025



MANAGEMENT: **MR. INDRAJIT MOOKERJEE –EXECUTIVE DIRECTOR
AND VICE CHAIRMAN – TEXMACO RAIL &
ENGINEERING LIMITED**
**MR. SUDIPTA MUKHERJEE – MANAGING DIRECTOR –
TEXMACO RAIL & ENGINEERING LIMITED**
**MR. KISHOR KUMAR RAJGARIA – CHIEF FINANCIAL
OFFICER– TEXMACO RAIL & ENGINEERING LIMITED**
MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Texmaco Rail & Engineering Q4 FY '25 Earnings Conference Call hosted by ICICI Securities Limited.

As a reminder, all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar. Thank you, and over to you, sir.

Mohit Kumar: Good morning. On behalf of ICICI Securities, we would like to welcome all of you. On Q4 FY '25 Earnings Call of Texmaco Engineering Limited.

Today, we have with us from the management, Mr. Indrajit Mookerjee – Executive Director and Vice Chairman; Mr. Sudipta Mukherjee – Managing Director; and Mr. Kishor Kumar Rajgaria – Chief Financial Officer.

Without much ado, I would now hand over the call to the Management for the opening remarks, which will be followed by Q&A. Over to you, sir.

Indrajit Mookerjee: Thank you, Mohit. Good morning, everyone. This is Indrajit Mookerjee. I am the Executive Director and Vice Chairman of Texmaco Rail & Engineering Limited. I am extremely pleased to welcome you to the earning call for the 4th Quarter and also our full year results for the FY '25.

At the very beginning, I would like to express gratitude from all of us from Texmaco and our team to all our stakeholders for your continued support throughout the year. I trust that you have had the opportunity by this time to review our results and the earnings presentation filed with the stock exchange.

Just to take you through a very few pivotal points, I would like to say that you will be very happy to know that Texmaco delivered a sterling performance for the year FY2025 on a consolidated basis, a year which is marked by strategic transformation across the organization.

During this year, our revenue from operation was at Rs. 5,107 crore, which indicates a growth of 45.8% as compared to the same period last year. This was due to an increased volume while realizations remained stable.

EBITDA was Rs. 525 crores with a year-on-year increase of 57.6% and a margin of 10.3% PBT for the year was Rs. 345 crores, which indicates a year-on-year growth of 112.5%, and the

margin was 6.7%. (inaudible) Return on equity was 8.4%, which jumped from last year's 4.9%, while return on capital employed was 16.2%, which showed an increase from 13.6% last year.

The performance underscores Texmaco's continued growth driven by operational efficiencies, our actions in our defined strategic path and of course a very strong market presence. I wouldn't be wrong in saying that for the year of FY2025, we were one of the top most manufacturers of wagons, Freight Cars in the country.

For the full year, the company delivered 10,612 Freight Cars, which is 51%, which shows a 51% jump from 7,028 cars in last year. The foundry division sales were at 41,500 tons, which of course almost were at the same level as last year.

During the quarter, Texmaco established two strategic global partnerships. I thought of mentioning this because this sets the direction for where we are going for future. The first was with Nevomo, which is a European firm focused on predictive diagnostics and high-speed rail.

The second partnership is with Trinity Rail, a leading US-based rolling stock manufacturer and I won't be wrong in saying that one of the top few manufacturers in the world, which is focused on expanding opportunities in rolling stock and component manufacturing across North America and other international markets.

These partnerships mark an important step in Texmaco's drive to enhance its position as a technology-led rail solutions provider. Both of these opportunities give Texmaco access to international markets. You also know that we already have a very strong leasing company, which is operating very profitably. That's a joint venture, of course, with Touax of France.

To further strengthen the Texmaco's component system divisions, your company is setting up a Global Capability Center, GCC, in Faridabad. The GCC will enable us to broaden our services, service offerings for our private sector's customers, and just not limited to them, maybe to Indian Railways also, and enhance its footprint in the international markets through delivery of customized engineering solutions.

It is also going to be boosting our leasing companies by providing advanced designs. With this initiative, Texmaco is positioning itself as a comprehensive solutions provider, expanding its capabilities beyond Freight Car manufacturing and reinforcing its commitment to value-added, innovation-led growth. The GCC will also have some more activities. We are setting up a global supply system group, which will operate from the same center of Faridabad for supply of our design and maybe patented components to Europe and the U.S.

The proposed merger of Texmaco West Rail Limited, which was erstwhile Jindal Rail Manufacturing Company and business transfer of Infra-Rail and Green are expected to unlock

value, enhance organizational focus and streamline business operations across key verticals. Management views these strategic initiatives as very important steps in further aligning the business structure with long-term objective.

In recognition of Texmaco's improved financial metrics and operational performances, I am happy to inform you that CARE Ratings upgraded company's long-term and short-term facilities to CARE A and CARE A-1 respectively. The upgrade reflects an enhanced credit profile and increased lender confidence in Texmaco.

The Union Budget of 2025 and 2026 maintained capital outlay for Indian Railways at Rs. 2.5 lakh crore, reaffirming continued public investment in infrastructure development. In addition, the USA is a focused market for us for development through our partners Wabtec and Trinity.

I just wanted to say that you all must be aware that Wabtec and us already have a very successful joint venture manufacturing company in India manufacturing frictional brake products, brake and other allied products for Freight Cars. Our value proposition for U.S. will go much beyond the volatility of tariff charges because of our bringing in uniqueness in our offerings.

In India, continued public investment in this rail infrastructure remains a key growth enabler. The Government of India's long-term goal to increase the railway share in the national logistics from 27% to 45% by 2030 presents significant opportunities for the rail manufacturers. As part of this expansion, approximately 1.5 lakh wagons are expected to be delivered in the next three to four years. With a consolidated annual production capacity of 15,000 wagons, Texmaco is ready to capture its fair share of this demand and contribute to the sector's development.

In addition, our sterling performances of our Electric Infra Company, which is the Bright Power Division, as well as our demerger of the Rail Infra to focus our attention to the Rail Infra business are going to unlock values for Texmaco.

With these few words, I want to thank you for your patience, and I would like to open it for question and answer. I have with me our very capable, energetic Managing Director, Mr. Sudipta Mukherjee. We also have our CFO, who has just stepped into this job a few months back, Mr. Kishor Kumar Rajgaria. And three of us put together, we will be very happy to answer your queries, whatever they may be. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nidhi Shah from ICICI Securities. Please proceed.

Nidhi Shah:

Thank you so much for taking my question. So, my first question is, why is there a decline in wagon production? Has there been any problems with wheel supply? We believe that the wheel

supply has improved since they have allowed imports for wheel supplies. So, was there any issues like that that have led to low production?

Sudipta Mukherjee: Thank you for asking the question. Good morning. This is Sudipta Mukherjee from Texmaco. So, you mean to say for the 4th Quarter or any specific quarter?

Nidhi Shah: For this quarter.

Sudipta Mukherjee: Okay. So, I don't think that wagon production should be considered in quarter-to-quarter basis because it's not like the production doesn't happen like this in the few 50s and few 100s. You have to take it in continuity because if you have also seen that our share of private wagon rakes have gone up. And I mean, today, the share is around 65 railways, 35 is the private and the export market, you know. So, there are some long lead wagons or the different type of designs, which may have different supply chains and may have different lead time to procure. So, it will not be worth to see or evaluate the company's performance based on a particular month or a quarter's wagon numbers. That's our take.

Nidhi Shah: My second question would be, is there a possibility that we can beat FY '25 production numbers going forward in FY '26? What will production look like for next year given that we are now having a higher share for private wagons?

Sudipta Mukherjee: Yes, so we are definitely the focus of the company is to keep this momentum of continuous growth and in all the years as Vice Chairman has mentioned in his opening remark, we can only assure you that your company is doing everything to have a significant growth in all the associations and all the businesses of the company and is also looking beyond. And the answer is a strong yes.

Nidhi Shah: So, the private wagons, how much was the order execution for FY '25 for private specifically out of the total freight division revenue?

Sudipta Mukherjee: On year basis it was 35% of 10,600. So, over and above, if you specifically ask, so it may be around 2,000 something.

Nidhi Shah: And sir, lastly I wanted to know, how do you see orders inflow for FY '26 given that there are no large tenders from Indian Railways that have been floated as of now? Are you expecting any of these tenders to be out in the next one or two quarters? What will the orders inflow look like for next year?

Sudipta Mukherjee: We feel that the railway, I mean, we feel it is very much in the fray that the orders will come. Because what makes us very secure and enthusiastic about the whole scheme of things is government's clinical, the clinical execution of the plan. I mean, the way things are moving

today, nothing is on the knee jar. So, there is a forecast that the order has to come, and if you see that the first tender which came, the largest tender, the validity of this is up to middle of next year.

So, there is enough time for the government to come up with the tender. And we have a very, very confident take on this, that there has to be a huge uptake by the wagons and the momentum will go on. And more than this, the private sector will look very bullish. Because the GDP has to grow and you see the primary infrastructure investment part is huge. Okay.

Now during this pause period, government initiatives were never idle. What is encouraging that in the infrastructure rather government tried to multiply it, decongest it and the work is going on further to decongest it. So, there will be a larger capacity to accommodate more inflow of optimum capable rolling stocks into the system.

Nidhi Shah: Thank you, sir. So, I will get back in the queue for further questions.

Moderator: The next question is from the line of Prateek Jain from Green Portfolio Private Limited. Please proceed.

Prateek Jain: Hello sir, good morning.

Indrajit Mookerjee: Yes, good morning. You are audible.

Prateek Jain: Sir, as you mentioned about that strategic agreement with Trinity Rail Group and Nevomo, can you please tell me what is the expected timeline for commercialization of these partnerships and also about GCC, can you please elaborate?

Indrajit Mookerjee: So, if we talk about Trinity, the thing is, as is being mentioned, that we are coming up as in a Global Capability Center. The global capability center will have specifically two wings. One is the research innovation part of it, where we will do the new type of designs related to Railway rolling stocks and components and many other things for not only for India but for the globe. So that process will continue and which is basically a kind of looking forward and coming up on a continuous basis optimum solutions for the customer and to increase our reach to the global market.

Second part of GCC is the aggregation. So, we want to play in the game of the global sourcing partner for Trinity and many other companies sitting out of India. So, you see there is a traction and their global focus to India as a global sourcing hub. So, this is what I think first one of its initiative where we are starting the process tangibly and the commercialization of the whole process, the transaction level you can see in this financial year itself.

Regarding Nevomo, Nevomo has two set of things again. They have the MagRail technology, which is a kind of high-speed technology for rolling stock, primarily for passenger rolling stock. And this ecosystem, I mean globally, this you can see in Japan, in U.S., in some part of it. It requires certain kind of adoption, so far the policy is concerned.

We believe that India is a huge prospect, has a huge prospect of having few such systems to come in, in parallel to the present movement of the high-speed trains which government is working upon. But this ecosystem gives you an opportunity to go into newer propulsion systems like linear propulsion and all.

So, this linear propulsion can be worked out further below into the freight solutions and it is completely eco-friendly so far if you bring the solutions. So, it can even have the potential to somewhere in a loop to eliminate a kind of or relook into the present locomotive system. And it saves a huge energy.

So, we are in a process that the first focus we are trying to give this linear propulsion, self-propelled rolling stock mostly into the various ports, mines, and where we have a merry-go-round system to implement this. And we are in discussions with a few national as well as global such entities. And we have few global opportunities which are in hand. Something is in very advanced stage.

But also we feel very bullish about the Indian ports and mines because this system can increase the efficiency of handling of material to 20% to 35% for better cargo handling. So, this is what we have started meeting people, talking people. And we are hopeful something will be starting very soon, perhaps within this financial year itself, with a pilot.

Prateek Jain: One more question. I want to know that increasing PPE of Rs. 450 crores, that is very large as compared to last financial year. Can you brief me about that? Is it because of the new foundry plant or anything else?

Indrajit Mookerjee: Prateekji, I am sorry. The first part of your question we could not hear properly. Would you mind to repeat, please?

Prateek Jain: I want to know about that increase in PPE of around Rs. 450 crores. That is very significant if we compare it to last financial year. So, it is very big number, Rs. 450 crores. Can you brief about that? Is it because of that new foundry plant or anything else?

Indrajit Mookerjee: I am sorry, still we have not got your answer. What do you say as Rs. 450 crores?

Prateek Jain: PPE. Property, plant and equipment.

- Sudipta Mukherjee:** Yes, Mr. Prateek, this is basically because we have acquired the Texmaco West during the year.
- Indrajit Mookerjee:** So, it's about the Jindal Rail acquisition.
- Sudipta Mukherjee:** Yes, so previous year that figures were without Texmaco West. In the current year, the Texmaco West PPE is included.
- Indrajit Mookerjee:** Sorry for forcing you to repeat because there was some voice mismatch in between.
- Moderator:** The next question is from the line of Akash Vora from Dalal and Broacha. Please proceed.
- Indrajit Mookerjee:** Mr. Vora, welcome.
- Akash Vora:** So, sir, my question is mainly on the margin spend, sir. Margins this quarter also has been a disappointment in spite of the private sector value is going higher up in our order book mix, as well as we being able to execute a higher number of wagons as well this quarter. In spite of that, our margins are mid-single digit. Ideally, all the other players in the industry are doing double digits, around 11%, 12%, 13%. So, I mean, why are we struggling so much on that front, I mean?
- Kishor Kumar Rajgaria:** Yes, Mr. Akash, basically I think you are looking for Quarter 4 consol results. But if you see in Quarter 4 consol results, there are some elimination of dividends, interest received from Group subsidiary companies. So, that is why Quarter 4, this income of the Group subsidiary companies were spreaded over the quarters. But the dividend received in Quarter 4, so this was neutralized. Otherwise, margin okay, there were some provisions done in Quarter 4. So that has impacted slightly.
- Indrajit Mookerjee:** The operating margin you were asking. Did we answer your question?
- Akash Vora:** Yes, I mean, thanks for the answer. But I still fail to understand why we aren't able to compare with other peers, like Jupiter, Titagarh, who have consistently been clocking around double-digit margins for so many quarters now.
- Sudipta Mukherjee:** We have a double-digit margin only and it's continuously on the upward trend and on the operating level we are no less.
- Indrajit Mookerjee:** See, our margin for the year 2024-25 has been 10.3%. So, that is as Sudipta has said, it is up from 9.5% to 10.3%, which is last year 9.5% to 10.3%. So, we are on the upward trend. Q4 may give some anomalies because certain adjustments are done. So, the adjustments which Mr. Rajgaria has just now explained. So, I would request that look at the full year, which is showing an improvement.
- Kishor Kumar Rajgaria:** Over the last year.

- Indrajit Mookerjee:** Over the last year. This is, I think, in spite of the fact that our infra business did not make much profit. Actually, infra segment.
- Kishor Kumar Rajgaria:** Yes, it's similar to last year.
- Indrajit Mookerjee:** Last year. So, infra segment, so if you discount for that, then it will even further go up.
- Sudipta Mukherjee:** So, it is a kind of a composition of the businesses and while you are right that it looks like that it is lower, but the initiatives and decisions which is being taken by the management even to demerge the infra and the growth and the progress we are making operationally, so you will see much, much better in the coming days, going forward.
- Moderator:** It seems like the participant's line has got disconnected.
- Akash Vora:** No, no, thanks for the answer. That was my only question.
- Moderator:** The next question is from the line of Parvez Qazi from Nuvama Group. Please proceed.
- Parvez Qazi:** Hi, good morning, and thanks for taking my question. So, couple of questions from my side, I mean, taking out from the previous participant, when you look at Q4 results, we have seen an improvement in margins for the infra rail and green energy division, which I think at least till last quarter was making a certain losses. But simultaneously, as Kishorji mentioned, we have some reduction in profitability in the Freight Car division, maybe because of some one-off expenses.
- So, my questions are one, what would have been the quantum of these one-off expenses or provision that we did in Q4 in the Freight Car division? And second, as far as the Infra Rail and Green Energy division is concerned, how do we see execution and profitability in FY '26?
- Kishor Kumar Rajgaria:** So, we have some one-time expenses, one-off expenses of about Rs. 20 crores to Rs. 25 crores, which includes provisions and some study we have done for the future. And relating to infra rail and energy division, our MD will take up.
- Sudipta Mukherjee:** So, Parvez, good morning. So, I mean the provision was primarily, see, we decided that there were certain slow-moving debtors and we decided that we have earned a good profit. So, while we are fighting and contesting the issues of LD, but being a safer side and being upright, we have just made a provision in our balance sheet for that. And it was done, of course, mostly in the 4th Quarter, so it looks like that. That is one part of it.
- Regarding rail infra, if you see that when we have seriously taken up to demerge, as you have pointed out, the losses have gone down, and we can only say that you will see significant improvement because it is difficult for me to give you forward-looking guidance at this point of

time. But this was the whole purpose that we have a very focused approach to revive that when we have huge positive traction so far the orders progress in the market and the government push to improve the infrastructure.

And you will find us not in the conventional EPC side. You will find us in the niche rail infra, and system and solution side, including signaling in the coming days more, domestic as well as into some very few prestigious international projects. So, this I can say this much, so I am saying you this much. Balance I think that, I mean, we will not desert any.

Parvez Qazi:

Couple of more questions. One, of the total 10,600 wagons that we dispatched in FY '25, how much would have been produced in Jindal Rail? And second, I mean, about the wheelset availability issue, is that all sorted now or are there still some issues in terms of delivery by the Railways?

Sudipta Mukherjee:

So, Indian Railways was 65% of the total delivery and if you talk about the wheelset thing, if you know that RWF we used to get from and from private, historically we used to have certain inputs as well as sometime RWF also used to give. So, there is a huge push by the government to improve the production, I mean, indigenously within the country. So, there was a mismatch in the time for the project execution perhaps. So, that's why there was a kind of uncertainty in between.

I will not say it has gone completely, and it has become good, no. The first quarter may look, I mean, it may remain for another few days. Although I am very happy to make a point that since last one week, the RWS supplies have significantly improved for everybody. And if this momentum goes on, then within a month or so, things should be of different shape, so far the wheelsets are concerned.

Regarding meeting the other crises of the private wagon and all, there is enough wheels in the market. There is no shortage. But the problem is that, of course, these geopolitical issues and all of these are not within our control, the war situation and all. There had been a disruption in between, but things are getting normalized.

Moderator:

The next question is from the line of Disha, an individual investor. Please proceed.

Disha:

So sir, you mentioned about the two global strategic partnerships that you are doing with GCC. So, both ways you are expanding your market share in Europe and North America. So, how do we see exports ramping ahead? How much percentage of revenue do you expect exports to take up in the future, sir?

Sudipta Mukherjee:

We would like to tell you that all the verticals of Texmaco, we want to follow a process that around, I mean, a significant percentage of the work depending upon on a case to case basis,

25% threshold or 20% threshold maximum should be of our export market starting from a percentage of around say, 2% to 5%.

So, why this is a wide range? Because if I have to bifurcate today in our project, maybe it will be rail infra or all of these, it may be the things may be miniscule, but in our Rolling Stock and Casting division, the numbers would be much, much higher because they are already established.

But as a matter of policy, we want to focus that all our verticals should have global excellence. And you know that in Texmaco, we have this proximity and world class joint ventures and customers, and we have the required certifications around for European market, U.S. market. So, we are very hopeful for significant growth.

Overall, if I have to say that of the main business today, suppose the core business that is rolling stock and casting, which we call as a FCD division and the component division, so we have achieved a ratio of 65-35. And ideally in the near future, in the immediate future, we want to make this ratio to at least 60-30. And you may see a better traction, of course, in the way forward. I mean, this is what is the immediate kind of thing we are looking forward and working for 60.

Disha: Yes, and so given all the initiatives that we have taken, a 35% to 40% CAGR is something what we can assume for the next 2 to 3 years going ahead?

Sudipta Mukherjee: I am sorry, I was also speaking, I couldn't hear you. Could you please repeat?

Disha: Yes, so I was saying with all the initiatives, can we assume like a 35% to 40% CAGR for 2 to 3 years going ahead?

Sudipta Mukherjee: 40%, this 40% will be a combination of the, we believe, private market and export market. And we feel it is possible to be done.

Disha: I am sorry sir, I couldn't hear you. Could you please repeat?

Sudipta Mukherjee: Combining domestic, private and export, we feel 40% in the FCD division is possible to be achieved.

Moderator: The next question is from the line of Mahesh Patil from ICICI Securities. Please proceed.

Mahesh Patil: Sir, my first question is in the opening commentary, you mentioned that the demerger of the infra segment was on the cards again. Could you please help us with the timeline that you are eyeing for that?

- Kishor Kumar Rajgaria:** Yes, we are currently filed the scheme with the Stock Exchanges. We got some queries which we have replied. We are working with the NOCs, and we are expecting final approval in January 26.
- Mahesh Patil:** January '26, okay, sir. Sir, my second question is on the Jindal Rail. Could you please give us the revenue, EBITDA and PAT for Jindal Rail for FY '25?
- Kishor Kumar Rajgaria:** Yes, Jindal Rail turnover was more than Rs. 900 crores, and the PBT was about more than Rs. 125 crores.
- Mahesh Patil:** And sir, what are we doing? Any plans in terms of unlocking the full potential here?
- Indrajit Mookerjee:** So you see that this again is like a unit of Texmaco. So all the manufacturing units are, of course, we are unlocking further potentials and the kind of, we have supposed today 3 manufacturing units for rolling stock and which combines, we feel that without much CAPEX reaching around 15,000 mark is not a problem. But more than the vehicle units, as I was pointing out in the initial reply to one of our investors that we are more concerned about enrichment of the types of product which we make, which brings us more value, the reach to customers because when we talk about more exports, more private, it calls for more innovation and more qualitative output. So in that way, intrinsically, internally as well as externally, we have a clear focus and a process which is ongoing within the company for all the manufacturing units to reach that excellence and it is not limited to the manufacturing units only, it is expanded to all the SBU and the management and all the people as a whole.
- Mahesh Patil:** Sir, yes. Thank you. And my next question is on the components. So could you help us with the components revenues in FY '25 and which segment does this get booked in? And a follow up question, how do you think this will ramp up over the next few years?
- Indrajit Mookerjee:** We have two kind of components. We may have, I don't know whether the bifurcations are there. We have casting components; we have fabricated machine components. So as you know that the Railway has, fabricated bogies also, casting bogies also, so Kishor will give you the figures now and then I will tell you how it is going to.
- Kishor Kumar Rajgaria:** Our foundry casting revenue is about Rs. 750 crore plus and for other small hi-tech components is more than Rs. 50 crores.
- Indrajit Mookerjee:** Now in the way forward.
- Mahesh Patil:** Sorry, sir, just one clarification, in which segment does this get booked in, sir?

- Indrajit Mookerjee:** Freight Car division. Now with regard to way forward, we have mentioned that we feel there is a significant opportunity of growth of export to US and Europe and newer markets which we are working and that is how one of the points we have mentioned that under GCC, we have a division called GSS which the job is aggregation and act as a global sourcing agent from India. And that is how we are trying to unleash newer markets, and we have a significant forecast of growth in this. That is what we would like to say rather than, and I can't give you clear guidance of the figure, but I can assure you and commit we will see significant growth within this financial year.
- Mahesh Patil:** Sure, sir. Thank you. Sir, my last question is on the Odisha foundry, if you can help us with the progress and how much production of the foundry is expected to be captive?
- Indrajit Mookerjee:** As on date, we are more focusing on the unleashing of the present excellence, so that was taken up. It is there, of course, in the very preparatory stage and if you see that this year we are going to produce at least more than 50,000 metric tons from our present capacity itself. So we want to be efficient in terms of our investment and sale. So the answer is that this focus is there more and what is and how that will be expedited. That is the call which we will be taking in the coming days.
- Mahesh Patil:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Sandeep Mukherjee from SKP Securities Limited. Please proceed.
- Sandeep Mukherjee:** Sir, thanks for taking my question. Sir, what is the reason for the receivable increase, trade receivable increase?
- Kishor Kumar Rajgaria:** Yes, there are two reason. One is this consol accounts are included which were not there last year. Second reason was, we got some imported wheel set at the last week of March, there was substantial sales to Indian Railway and private party, so because of that, debtors were higher for the March ending.
- Sandeep Mukherjee:** Sir, got it. My next question is, sir, what is the outlook for CAPEX for FY '26?
- Kishor Kumar Rajgaria:** Yes, we will be mainly focusing on improving the infrastructure. So our CAPEX will be like the last year only.
- Sandeep Mukherjee:** Thank you, sir. Can you help me with some bookkeeping numbers of Hi-tech, Kalindee and Bright Power separately sir, the closing order book and the revenues and EBITDA?

- Kishor Kumar Rajgaria:** Yes, revenues are, I think it is mentioned there. Segment revenues, you can get the details. Yes, if you see 31st March '25, the Freight Car was Rs. 4,300; Infra - Rail and Green energy Rs. 438 and Infra - Electrical that is Bright Power Rs. 368 crores.
- Sandeep Mukherjee:** Can you help me with the EBITDA margin, sir, the PBT?
- Kishor Kumar Rajgaria:** PBT margin.
- Sandeep Mukherjee:** EBITDA is 16% for the Bright Power.
- Kishor Kumar Rajgaria:** EBITDA is 16% for the Bright Power.
- Sandeep Mukherjee:** Yes, right. Well, that is the question. So Bright Power revenue was how much? Rs. 400 something?
- Kishor Kumar Rajgaria:** Rs. 368 crores.
- Sandeep Mukherjee:** So that is Rs. 368 crores, 16% EBITDA margin and the profit before tax and segment results have already given.
- Kishor Kumar Rajgaria:** Profit before interest and tax was Rs. 44 crores.
- Sandeep Mukherjee:** So which is more than 10%, is that right?
- Kishor Kumar Rajgaria:** Yes.
- Sandeep Mukherjee:** And what will be the closing order book for all the three?
- Kishor Kumar Rajgaria:** Bright Power book is about Rs. 1,900 crores.
- Sandeep Mukherjee:** So how much is Bright Power?
- Indrajit Mookerjee:** Rs. 1,600 crores.
- Sandeep Mukherjee:** Yes, sir. Thank you very much, sir.
- Moderator:** Thank you. The next question is from the line of Deepak Sharma, an Individual Investor. Please proceed.
- Deepak Sharma:** Hi, thanks for the opportunity, Dada. My one of the questions is what is the CAGR rate of freight market from the private and government sector both?

- Indrajit Mookerjee:** What is your question?
- Deepak Sharma:** What is the CAGR rate of freight market from the private and government sector both?
- Sudipta Mukherjee:** CAGR rate for private and government. I think it will be a difficult question to answer, sir because there are certain fluctuations that is coming up. So we don't know how it is going to emerge for the coming years, the CAGR rate. So if we have to make any comment, if we have to look at any numbers, those numbers may not be correct. So it is an unverified numbers because currently as you see that the orders are not yet come and likely to come. So there are certain elements of speculation in this for the future. So this is the reason why we are giving a very roundabout answer, but obviously there is going to be growth.
- Indrajit Mookerjee:** The indication what we got to study is it was a little less than a 6% , what we knew, but to be specific in and around this is difficult.
- Sudipta Mukherjee:** 6% is pretty good because it is in line with GDP growth, yes. But engineering, it may be a little lower than the engineering index, but this is a speculation.
- Indrajit Mookerjee:** This is the thing sometime some there are people who do give prepare this and sense in the domain where we get it. So on average, this was for the, I think freight rolling stock around.
- Management:** And we are sorry that we can't give a specific answer to this, but as Mr. Mukherjee Sudipta says that it is going to be in line with the GDP growth.
- Deepak Sharma:** Another question is which one is hiring a higher EBITDA margin, private sector or government sector?
- Kishor Kumar Rajgaria:** Yes, obviously it is the private sector where margin is higher. But we have to have a combination because in the private sector your receivable takes some time.
- Indrajit Mookerjee:** So margin is higher in private sector where you have the kind because the input comes right from design to delivery. So there is an opportunity for you to work in the value chain. It is not a commodity product, then the margin is better.
- Deepak Sharma:** And my 2 requests from the management that please upload the PPT Investor presentation 30-40 minutes before because we have to figure out some, because you know what I am trying to talk to you. Now, the second request is please give, can you please give any investor relation department contact details because I have contacted so many times. I this if I am not wrong 5-7 times, I have contacted with the IR partner, but I have to get any relevant answer from them. So please.
- Kishor Kumar Rajgaria:** You can call me.

- Sudipta Mukherjee:** Our Press Release makes it very clear. We have an Investor Relations company whose numbers are given. Also one can contact our CFO, Mr. Kishor Rajgaria at kishor.rajgaria@texmaco.in and we ensure that we will be answering. His e-mail ID is kishor.rajgaria@texmaco.in and we are assuring that within 7 days you get answers from us.
- Deepak Sharma:** Thank you. Thank you, team.
- Indrajit Mookerjee:** And we also have our Investor Relations. You can also go through them. Anvita Raghuram is our Investor Relations lady, and her numbers is already there in the Press Release.
- Deepak Sharma:** Sure. Thank you.
- Moderator:** Thank you. The next question is from the line of Devarsh Shah from Sunidhi Securities. Please proceed. Hello, Mr. Devarsh, I request you to unmute your line and then speak.
- Devarsh Shah:** Yes, sir. I had a question regarding the other expense. So if we see in Q3 and Q4, then the other expense has been spiked like it has grown around 50%. So what is the reason behind that?
- Sudipta Mukherjee:** Yes. Mr. Devarsh, we mentioned now we have done some one-off provisions during the quarter 4 and some one-off expenses were there.
- Devarsh Shah:** And the second question is like we have faced the wheel set supply issue in past also. So if we see then the peers of your company are entering into wheel set manufacturing space, so is the company evaluating in-house production or any strategic partnership in this area?
- Indrajit Mookerjee:** We are exploring various things, so the answer would be roundabout one. We are exploring various things including of course this also. But a mere crisis of certain things, like wheels on a particular moment, as an example, I am telling you, doesn't make it a lucrative opportunity for a business proposition. So we have to look at and I can assure you that Texmaco, what we will be doing, which we will be very clear that we will not do anything on a knee-jerk and which could have a sustainable sense of business with reasonable profit, we will only enter into that business and there are many within Railways and even beyond Railways. Your company is looking forward to and very soon you will get to know many things out of it.
- Devarsh Shah:** Understood, sir. And the third question is like, are we entering into the passenger rolling stock like our Saira Asia partnership? So have you got any orders with respect to interior works of the passenger trains?
- Indrajit Mookerjee:** We are happy to let you know that since we had control of the company in the last 5 months, 6 months' time, we could secure Rs. 23 crores of order and the majority of this is related to Vande

Bharat. And as I have mentioned you, I am assuring you that in all the verticals of Texmaco you will very soon, perhaps you will also see Saira exporting products out of India.

Devarsh Shah: And with regarding to Texmaco Nymwag facility, so it is going to be operational by FY '26, right? So what will be the incremental wagons manufacturing like what would be the numbers of incremental wagons?

Indrajit Mookerjee: Again, it will depend on the type of product. We want to make it a kind of a boutique and very premium sort of facility. And again, we have planned for multiple geographies. So I think if we are thinking only in terms of vehicle number, again we are restricting ourselves from the opportunity of having a beautiful business case, but if you have to only see on a vehicle number because, just on a very lighter note I am telling, suppose one car manufacturer makes multiple types of car. So combining everything, of course we have to come to a mean you know, so if I have to say the mean, it will be around 2000.

Devarsh Shah: Understood, sir. And the last question is, like currently, we heard the news like the Cabinet approved around Rs. 18,600 odd crores of Railway multi-tracking project. So when can we expect the tender coming through the Indian Railways and can our companies EPC or electrical segment capitalize over these developments coming in future?

Indrajit Mookerjee: The answer is yes, and it is not future. It is present and past, immediate past also. We are continuously getting lucrative orders. And as I have pointed out that in Rail Infra, our focus is the niche areas of the infrastructure of Ballastless track and with Ballast track also, but more signaling integration, auto fare collection and on the technology part of it. And some more system and solution in and around safety is going to be added very soon in line with the government's push towards safety and we believe we will soon become a very big, significant player into the old domain. And so far, Bright Power is concerned, yes, we are getting continuous orders, and you can see that the order book has been more than doubled in last one year. And also to let you know that while we are growing in all these segments, we are also consciously de-risking our businesses and that is how the percentages or proportion of the customer bases are carefully worked upon. In Bright Power also, while we have increased our dominance in railways, we have gone beyond railways and we have gone into the state electricity level also, in the city also which are very good orders, and we will continue to keep this momentum.

Devarsh Shah: Thank you for the opportunity, sir.

Moderator: Thank you. The next question is from the line of Amit Kumar, an Individual Investor. Please proceed.

Amit Kumar: Thank you for the opportunity, sir. Congrats on the good set of numbers. Sir, my first question is could you please provide the bid pipeline and expected order inflows in the next 2 years?

- Indrajit Mookerjee:** So figure is very difficult to say. What I can say to you that today in Indian Railway, we have a stake around 23% so for the Indian Railway orders are concerned. And if we combine with, if we talk about the private share, it is around 30%-35%, so we have a plan, of course, to improve upon it on the percentage of share in both these markets while maintaining our internal ratios in that. And we have a kind of a thought process that in the coming 3-4 years, another 1.5 lakh of wagons should be inducted in this. I think one can walk out from this, but it is very difficult for me to tell this much we will get because it happens in a tendering process.
- Amit Kumar:** And sir, my second question is, I was studying the company, in past 5 financial years, I can see the Rs. 1,100 crores of EBITDA. But if I study the cash flow, in past 5 years, we have generated only Rs. 20 crores of EBITDA. And in FY '23, there was a negative cash flow under cover approximately, this year also, there is a minus Rs. 47 crores of cash flow, so Rs. 1,100 crores of EBITDA and Rs. 20 crores of cash flow. So there is a huge miss, I cannot connect the dots, so why we are struggling to generate the cash despite of having a very great amount of EBITDA?
- Indrajit Mookerjee:** Your question to us?
- Amit Kumar:** Should I repeat my question?
- Indrajit Mookerjee:** No.
- Management:** Can you repeat it once?
- Amit Kumar:** Yes. So in the past 5 financial years, our cumulative EBITDA is approximately Rs. 1,100 crores and cash flow from operations for the past 5 years, cumulative, is near Rs. 20 crores. So I am unable to understand why you are struggling to generate cash flow from operations.
- Indrajit Mookerjee:** See, it is very difficult for me because, thanks for working out in this way. I do not have all.
- Indrajit Mookerjee:** Have you checked what is the increase?
- Indrajit Mookerjee:** See, 5 years back we were doing something like about 3000-4000 wagons. Today, we have done 10,000 wagons. So obviously we, I am just not trying to sort of bring in an excuse, it is a very good question, we definitely will give you the proper answer, but I am just giving certain broad factors that our wagon production has gone up by 3x or 3.5x. So obviously, 3,000-10,000 there must have been absorption in the working capital. So I am not giving you an excuse or flimsy explanations. We will look into the actual number because it is a very good question. Then we also had substantial capital investment that we have made. We had also high leverages on the debts. So we paid back a lot of debts. So all these things we have to take into account. It is a very interesting question that why the internal cash flow generation has not been in line with the EBITDA and also along with it, we also have to give you, we have to look at a projection is that

is it the same trend going to continue for future or not? I don't think so. I think we are over a pretty bad patch which we happen because of bad market situation, you know it and now we are we are in the upswing. So maybe it got absorbed because of that reason. But I am not giving you an answer. Really, it is a good question. We will prepare the answer.

Amit Kumar:

Thank you. And my last question is, last year we had the fixed assets of Rs. 460 crores, this year we have fixed this of Rs. 1,000 crores. So our asset turn has declined. Last year, our asset turn was 8, this year our asset turn is 5. So can we expect our turnover to increase substantially this year so that our asset turnover is approximately 6-7 sort of kind of thing? So what can be our revenue guidance or topline guidance for FY '26-27, if you can give some idea so that our asset turn can be much better or at least in line with the last Financial Year?

Kishor Kumar Rajgaria:

Yes. Regarding the increase in fixed assets, it is mainly because of our acquisition of Texmaco West. So last year, Texmaco West was not there and this year we have added Texmaco West. So that is why our fixed asset has increased from, PPE increased from Rs. 428-Rs. 883 crores.

Indrajit Mookerjee:

But it will keep on increasing, sir, because what will happen is normally when we make an inorganic acquisition, you pay certain times of multiplier, and the multiplier effect starts coming up only as time passes. But here, I must assure you that the Jindal had been an extremely good from the acquisition multiplier point of view. So answering your question, yes, the asset transformation into the output will start going up. It will steeply go up actually in course of time if we can do what we are planning to do.

Amit Kumar:

So to the previous participant, you told there would be 40% growth in topline. So can I assume that there will be 40% growth in the topline in FY '26?

Indrajit Mookerjee:

What will happen in terms of giving you the number of what the growth will not be correct for me because after all there are certain regulations on this territory, you understand much better than me, so I think it will be, I will have to beg your pardon in this respect, but I can generally say that we are looking at good year, even the current one and the asset turnover issue will go up and it may touch back to almost the same number. What exactly the number is, we can't give you right now, because it is dependent on future projections, but it will start steeply going up because this is all because of the multiplier effect, the EBITDA multiplier effect on the acquisition.

Amit Kumar:

Thank you very much. All the very best.

Moderator:

Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for closing comments.

- Indrajit Mookerjee:** I would like to once again thank all our esteemed investors and our friends for asking questions and showing interest in the company and what I mostly like is that some of the questions are so in depth, which means that you even studied better than us, what we have done on our balance sheet. So for which there are some questions that came in where we were, it was so good to ask such an incisive question. Also, I would like to thank because you all are asking question gives us more inspiration to do well and also points out where some of the weak areas where we need to work. So we will do that. Before I conclude, I would like to say that in some cases we may not be able to answer your questions directly to the point and you understand some of these are because of regulatory reason. It is not that we want to avoid some questions, we want to be very transparent in telling you, no problem in answering past questions. Some of the future looking questions, I think we have to be little careful. So I am sure you understand the market better than us and you would excuse us for not giving a direct answer. Once again, thank you very much for your time and for your questions. So Mohit, can I hand it over to you.
- Mohit Kumar:** Yes. Hello.
- Indrajit Mookerjee:** Yes, Mohit, I am handing over to you. I want to thank you also for organizing this investors' call. I now hand it over to you, we can conclude.
- Mohit Kumar:** Yes. Thank you everyone for attending the call and that is it from our side. Thank you.
- Indrajit Mookerjee:** Thank you. Thanks to I-Sec also.
- Mohit Kumar:** Yes, Thank you. Moderator, please close the call.
- Moderator:** Sure. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.
- Notes:**
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