"Texmaco Rail & Engineering Limited
Q3 FY '25 Earnings Conference Call"
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MODERATOR: **MR. ABHIJEET SINGH – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Texmaco Rail & Engineering Limited Q3 and FY '25 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance in the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note, that this conference is being recorded.

I now hand the conference over to Mr. Abhijeet Singh from ICICI Securities. Thank you, and over to you, Mr. Singh.

Abhijeet Singh: Thank you. On behalf of ICICI Securities, I welcome you all to the Q3 FY '25 Earnings Conference Call of Texmaco Rail & Engineering Limited. Today, we have with us from the management, Mr. Indrajit Mookerjee, ED and Vice Chairman; Mr. Sudipta Mukherjee, MD; and Mr. Hemant Bhuwania, the CFO.

I now hand over the call to the management for opening comments, post which we will host the Q&A session. Over to you, sir.

Indrajit Mookerjee: Good morning, everyone. This is Indrajit Mookerjee, the Executive Director and the Vice Chairman. I want to compliment you on the day of the Vasant Panchami. I hope today is a day, so it's a celebration all over in West Bengal.

On this happy note, I would like to take the pleasure of welcoming you to our Q3 financial year '25 earnings discussion. I hope by this time, you had the opportunity to review our financial results and the earnings presentation, which has been made available to stock exchange on last Friday.

Texmaco delivered a stable performance this quarter, navigating various operational challenges, while maintaining our business momentum. Texmaco recorded a revenue of INR1,326 crores in the quarter with an EBITDA of INR139 crores, which reflects a 10.5% margin. PAT stood at INR76 crores with a margin of 5.8%. For the first 9 months of FY '25, revenue from operations reached INR3,766 crores, driven by consistent flow of order and execution in the key segments.

EBITDA for this period of 9 months was INR411 crores, which translates into close to 11% margin, while PAT stood at INR210 crores, reflecting a 5.6% margin. The performance highlights our continued momentum across its business segments, driven by operational efficiencies and favorable market dynamics and also a strong presence in the market.

In Q3 FY '25, we delivered 2,714 freight cars, marking a 54.6% Y-o-Y growth compared to same period last year when we did 1,756 freight cars. Our cumulative deliveries for the first 9 months of FY '25 stood at 8,015 freight cars, reflecting a 70% increase from the same period last year. This growth reaffirms our strong manufacturing capabilities and our ability to cater to the rising demand of freight cars. I apologize for the disconnection. I don't know why it -- how it happened, but we are in the -- I thought, we are in the age of supreme technology, so in the communication field, but I don't know, maybe AI had created some problem.

So I would not start from the beginning, I hope. So I will start from where I ended. So the performance in Q3 FY '25 was slightly lower than Q2 FY '25. So Q3 was slightly tad lower than Q2. And I think, we owe an explanation. And this happened, because there were non-availability of wheelsets from Indian Railways.

As you know, that the wheelsets come from Indian railways, from Rail Wheel Factory. And those are used for the freight cars. So there was a shortage of supply during the quarter, and that pulled us down, but we tried to make it up as much as possible by doubling up our production in the later part of the quarter. This also reflects on our strategic flexibility in managing our production issues.

On the strategic front, I have to announce and I have to keep you informed that we had the approval from the Board for merger of Texmaco West Rail Limited with Texmaco Rail & Engineering Limited. For those who are not aware of the Texmaco Rail -- Texmaco West, which is the company that has been acquired by us, which had the name of Jindal Rail Infrastructure Limited, and we renamed it as West -- Texmaco West, and we got the approval for merger in the last Board meeting on Friday, and we expect this is going to take about 6 to 8 months for the exercise to get over.

Additionally, as part of our business organization, we also decided to transfer the Infra-Rail and Green Energy, which is our EPC group primarily, as an ongoing business on a slump exchange basis into a 100% subsidiary of Texmaco Rail. It is expected that the transfer should be completed within 12 to 15 months' time, because it has to go through many regulatory processes. These steps align with our long-term vision to enhance operational efficiency and streamline our business structure.

Besides these two very important factors, there are many more advantages which these companies can get in future in development of business. Our financial strength has also been recognized. I'm happy to inform that our long-term bank facilities have been upgraded to CARE A, which is a notch improvement, one grade improvement, while the short-term bank facilities now hold a CARE A1 rating. This reflects our stable financial performance and strong fundamentals.

Looking ahead, we remain focused on driving operational efficiencies, enhancing capacity utilization and strengthening our presence in the market. With a healthy order book and strategic initiatives in place, we are confident about our growth prospects in the coming quarters.

I wish to thank you for your patient hearing and once again, apologize for the disconnection in between. We would be very happy to answer queries which you may have in this connection.

Moderator: Thank you. We will now begin the question-and-answer session. First question comes from the line of CA Garvit Goyal with Nvest Analytics Advisory LLP. Please go ahead.

Garvit Goyal: Sir, my first question is on the freight wagon side. If I look at your stand-alone numbers, these numbers are falling. And at the same time, if we look at the recent budget -- sorry, I missed the opening remarks, so I don't know whether you have commented on that. So in the recent budget, there is no increase in the railing stock budget amount. So can you please put some color like, is it like, the TAM is not growing for us in the freight wagon side?

Sudipta Mukherjee: This is Sudipta Mukherjee. So I mean, to answer you, I have two, three things to say. As you have very rightly mentioned that, I mean, you have pointed out that it has not increased. So far, the numbers, we know, I mean, many, many things are yet to come out in the domain. There is in the budgetary allocation, perhaps, is around 7.5% approx increase on the overall outlay of the budget. It is around 2.96 what we had.

But as a rolling stock manufacturer and being in our domain, if you are talking specific to the wagon, so if you see that the momentum started on a long-term mission, and it has to span up to 2030 for the first milestone to achieve where the railway share in the logistics has to go around 47% plus, which was 26%. So from '23, '24, if we continuously see, the allocation of all rolling stock remained in and around INR40,000 crores to INR45,000-plus crores.

So the heartening fact to us, being part of the ecosystem and one of the major stakeholders or a leading stakeholder is, there is no cut in that budget, and it is still in and around INR46,000 crores so far the railway estimation goes and as per information available to us.

So it is not necessary -- I mean, let us be practical. It is not necessary to increase the budget allocation every time. We have to see that what was part of a long-term plan, whether that is -- that talk has been worked in or worked up to or not. So it is consistently being worked up to and no disruption being created.

So what is the point of our scale? So we took it as a very positive step, because there has to be a theme always. And in the whole growth plan, one engine cannot move. It has to be a holistic approach to the government -- I mean, to the government plan, whatever we have for 2047 or Viksit Bharat or whatever. So if the country goes and the GDP has to grow, it has to have a holistic approach.

And our part of this share are completely intact. And that's why we are feeling, I mean, very secured, and we are at our momentum to -- momentum into the plan of the growth of the company and contribute to the development, whatever government looks forward to.

Garvit Goyal: Understood, sir. Secondly, on the order inflow side. So do you expect order inflow in the near term, particularly from the freight wagon side from IR?

Sudipta Mukherjee: I would like to point out to you, sir, that whatever was the -- I mean, based out of the plan per annum procurement, government further went out to give some small, small -- I mean, came up with various small, small orders, which were significant in nature, anywhere near INR10,000 to INR12,000 in between also, because if you see in '22, '23, order was issued for 3 years, which are going to expire in '25, '26.

Now the major order has to come. In spite of that, in between there is a feeling, government wanted to give in the rail infrastructure. So for infrastructure, we thought of -- I mean, the government thought of putting up new lines, doubling of the lines or whatever work. For that matter, some special purpose wagons were also tendered and your company got a fair share of it. And we feel that the same momentum will continue.

And there are certain sectors, of course, you have also gone through the budget very carefully, like, when we are talking about coal, we are talking about mining, and give a boost to these industries. And for carrying those augmented material, you need specific solutions for rail freight rolling stock. And we feel that there will be a huge opportunity for us in addition to the government procurement in these sectors to supply wagons in the coming days.

Moderator: Our next question comes from the line of Chintan Patel with Abans Investment Managers.

Chintan Patel: Sir, can you give us a number of Jindal revenues for the quarter and number of wagons produced by the Jindal Rail?

Hemant Bhuwania: Yes. So, Mr. Patel, I will answer to that. So for the quarter ended, Jindal has done around 526 wagons and a turnover of INR265 crores. They have reported a PAT of -- sorry, PBT of INR35.72 crores. For the 9 months ended, they had done 1,417 wagons, a turnover of INR692 crores and a PBT of INR98.45 crores.

Chintan Patel: Okay. Got it. And sir, what is our steel foundry captive consumption as we have around 45,000 tons of capacity?

Hemant Bhuwania: So right now, we have a capacity of 48,000 metric tons and around 90% of the capacity is being used captively by our Heavy Engineering and Texmaco West.

Chintan Patel: Okay. And when can we see the Odisha's steel foundry expansion will come on the board?

Sudipta Mukherjee: So the work is on in full swing and by middle of next year, will be operational …

Moderator: Your voice is breaking. The management voice is breaking.

Sudipta Mukherjee: Yes. So I said that, presently as Hemant has mentioned that we were doing around 48,000 metric tons. So from the present capacity and combining the new facility coming up, our total capacity would be 80,000 metric ton finished casting. And many of those will be beyond the domestic requirement and it is targeted to certain specific markets, including overseas. And we are going to have the highest capacity in the country in our segment and perhaps the highest in the world.

Chintan Patel: Okay. And sir, regarding this our slump exchange towards the BEL. So what is your plan, once it will completed fully? So whether we are looking for the monetized EPC business or we are continuing with the operations?

Sudipta Mukherjee: Yes. I actually, I couldn't hear the question. What is your question?

Hemant Bhuwania: Could you please repeat the question, please. In between, we couldn't hear you.

Chintan Patel: Yes, sure, sir. So sir, regarding that our Infra-Rail and Green Energy Slump Exchange to transfer in the BEL, our subsidiary, so this will complete in the 12 to 18 months. So what is your plan with this business, whether we are looking for the monetize of this business or we are continue to do business -- are we continuing to operate this business?

Indrajit Mookerjee: We want to continue with this business. We see tremendous future for the EPC business relative to Indian Railway. I think, you all have read the budget speeches also, where you find that, a lot of focus has been given to the activities like laying of tracks and signalling and coverage. And in all these areas, we have our unique credentials. One or two areas, maybe we are yet to acquire, but we are in a very advanced stage of acquiring it.

So answering your question, we want to focus on this business, and we want to profitably grow and show exactly what we had done for our freight costs of rapidly growing and becoming a prominent player. We also would like to do the same thing in the EPC business with a very strong management that we have.

Chintan Patel: Thank you, sir. That's all from my side.

Moderator: Thank you. Next question comes from the line of Jainam Jain with ICICI Securities. Please go ahead.

Jainam Jain: Sir, my first question is, is the shortage of the wheel supply expected to be a problem for the remaining year as well? And is there any way we can hedge or circumvent this huge risk?

Sudipta Mukherjee: So what has happened, of course, that crisis was there, but railway has taken a pragmatic decision along with discussion with the industry that they have allowed us to use the imported wheelset.

So I was answering to the question of the wheelset problem. So I would like to point out to you, it is so far, so long it's resolved in the sense that for private wagons manufacturing, we used to import wheels and railway has given us permission to use those imported wheels into turning out of railway wagons with a replenishment basis up to April. And railway expects that by April, their supply will be, I mean, would be alright.

Jainam Jain: Okay. So sir, is there any limit to what percentage of consumption of the wheelsets which can be imported?

Sudipta Mukherjee: There was a time when there was a restriction. Now they have opened it up to April 2026.

Jainam Jain: Okay, sir. And where are we importing from? And how does it affect the cost?

Sudipta Mukherjee: So we import the approved -- there are approved sources from railways. It is mostly from China. And for the freight wagons, if you see, and there was a time, things used to come from Ukraine, but it is no more. So mostly, it is from China as on date.

Jainam Jain: Okay, sir. And sir, my second question is regarding the interest. Sir, the interest this quarter was much lower than the Q2. And my question is that, we have seen fluctuating interest levels this year. So what is the reason for that? And what can we expect for the next year?

Sudipta Mukherjee: Hemant, would you like to address this?

Hemant Bhuwania: So, the finance cost, if you see the last quarter, we reported INR32 crores. And this year also, we reported INR32.93 crores, which is almost the same. So we do not see any major variance in terms of finance cost. However, in terms of interest, last quarter, you see it was INR18.48 crores as against this year INR21.2 crores. The prime reason for this was that, there were certain -- we did acquisition of Jindal Rail in the month of September. So we had a buffer. We had that buffer, because of which the CC limits to some extent were lying unutilized in Q2. So that is the reason you see that the finance cost has marginally gone up in quarter 3.

Sudipta Mukherjee: To answer the second part of the question that what is the plan for the future. So along with the efficiency of the operations, we have definitely clear focus on improvement in all those parameters, including cost and cost of various components of the business. And we are hopeful that there will be good improvements in an around.

Jainam Jain: Sir, that answers my question. Thank you and all the best.

Moderator: Thank you. Next question comes from the line of Rajesh Bandari with Nakoda Engineers. Please go ahead.

Rajesh Bandari: Congratulations for the good numbers. Sir, I have a question. Are we into double deck wagons also?

Sudipta Mukherjee: Sir, your company is mostly in double deck wagons. And let me tell you that the old generation of double deck wagons is already made. New generation is of three types. It is called Act 1, Act 2, Act 3. So we have the most order of Act 1 and is also the most expensive wagon order and we are delivering it continuously. Act 2 is our first time to develop and Act 3 is also our design. In double deck, small vehicles were not available. Now, SUV demand is high in the country, so we had to bring new designs.

So, SUV can be used in both. And the most beautiful thing in Act 3 is that in that tractor, SUV, all these can also go. So now when it will boost in the agricultural field and then think about the situation when we are also having our double deck wagon which is also moving tractors and taking from one corner to the other part of the country. So these three things are being made by your company and we are also their design partners.

Rajesh Bandari: Yes, very good sir. And is it a closed type or open type?

Sudipta Mukherjee: It is closed, sir. Now what is it, that we maintain the car very delicately in our country, right? In that car, the car is maintained very carefully. Nobody feels safe. They will do some stone painting. So, design has certain lightness. In that, design excellence comes. Some of our ventilations are there, there are perforations. But it is not completely open.

Rajesh Bandari: This is done for vehicle. Any double-deck wagon for perishable?

Sudipta Mukherjee: For perishable, we need to think whether we need double deck or not. For perishable, sometimes you need refrigerated, right? So, for the first time, you must be knowing, that we made it for milk. Amul. Amul gave us the order and we have done milk tank refrigeration. We are hopeful that these specialized things will increase in the coming days. You will be happy to hear that our entire design is getting centralized in a global capability center. We will be one of the most leading design hub in these concepts which you are talking about

Rajesh Bandari: What will be your approximate idea of your turnover in the next 3 years?

Sudipta Mukherjee: Sir, we can't predict the future like this.

Rajesh Bandari: Expected?

Sudipta Mukherjee: We can't predict it like this. We can't quote a figure because you are such an informed shareholder, you know our bindings. But we can tell you that together we will grow very good. That's what we expect and we are working for it.

Rajesh Bandari: And is there any plan for Vande Bharat, Namo Bharat, Amrit Bharat, Metro?

Sudipta Mukherjee: There is a plan already. You know that we have taken an interior company. You will be happy to know that we have started getting the orders for the interior of the Vande Bharat sleeper. We are going to supply very soon. Some parties are already supplying.

Rajesh Bhandari: We are not making the entire coach.

Sudipta Mukherjee: We are coming in that. In that direction we have started now.

Moderator: Sorry for interrupting. Management your line is breaking. Can you just come little closer to the mic? Please go ahead.

Sudipta Mukherjee: Now, it's clear?

Rajesh Bhandari: Now it's audible. One is we have in our internals second I am asking that the coaches which are there are we into coaches and metro trains also?

Sudipta Mukherjee: Sir we are not making now. We are waiting for the right opportunity when this kind of opportunity will come we will definite make. We are open to improve the company improve to move towards whatever we will do we try to do it efficiently and make it profitable. So we are in discussion.

Moderator: Thank you. Mr. Bhandari please rejoin the queue for more questions. Next question comes from the line of Deepak Poddar with Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much for the opportunity. Sir, just a few things I wanted to understand.

Sudipta Mukherjee: Could you please speak a bit louder, Mr. Poddar?

Deepak Poddar: Okay. So first thing just wanted to understand, we have an order book of INR7,600 crores odd. So how many wagons that equates to?

Sudipta Mukherjee: It's not about all wagons. If you see that we have around 11,000-plus wagon orders. And we have also 11,500-odd order for wagon orders. So that is -- that cumulates to this thing. And there are -- in our electrical division we have more than INR2,000 crores order. So we have other businesses if you see that also as cumulative around INR400 crores, INR500 crores .

Deepak Poddar: Understood. So in terms of wagons, it 11,500 and plus the other...

Sudipta Mukherjee: 11,500 is the vehicle number as on date.

Deepak Poddar: Okay. Great. And sir, you mentioned that the wheel set problem is resolved as of now. So can you throw some light, I mean, what sort of volume improvement one can see because we saw a dip in this quarter on a quarter-on-quarter basis. So some volume indication or understanding on in fourth quarter, what we are targeting and for FY '26, it would be very helpful?

Sudipta Mukherjee: Mr. Poddar, I cannot comment on -- I mean on a futuristic numbers or a statement, but I can only stand by to the plan which company shared already with the investors earlier and we have given a guideline that time. So -- and we are very much confident to be maintaining and working to improve upon. That's what I can say.

Deepak Poddar: Sir, can you just please reiterate the guideline? I mean, what sort of guideline we have given?

Sudipta Mukherjee: We cannot do that. You can find it in -- with our partner. I mean, can guide you on that.

Deepak Poddar: Fair enough. That's very helpful. I think that's it from my side. Thank you so much.

Moderator: Thank you. Next question is from the line of Akash with Dalal & Broacha. Please go ahead.

Akash: Thanks for the opportunity. Sir, my first question would be on the other expense. Why do we see such a spike in the other expense this quarter on a sequential basis?

Hemant Bhuwania: So Akash, yes, there has been a hike in other expense. There has been certain initiatives taken by management for the future growth and the prospect of the company with the results of which you will see in the coming quarters, because of which the expense you see has gone up from INR27 crores to around INR35.98 crores.

Akash: So I mean, holistically, I just wanted to understand what sort of an EBITDA margin should we take for modelling purpose going forward as well, will -- are this quarter's margins in the 10%, 10.5% would be the range we'll be working at?

Hemant Bhuwania: So Akash, on the EBITDA side, we have what numbers we have reported. We won't be able to comment on the forward-looking statement, but yes certainly we can tell you that from here onwards there would be growth which you will be seeing in quarter -- coming quarters too.

Sudipta Mukherjee: This is our endeavor to keep on growing.

Hemant Bhuwania: And this is the endeavor of the company that we keep on growing and you would -- can see a continuous improvement from here onwards.

Aakash: Understood, sir. And sir, just one question on the wagon production side. So I mean do you expect that in FY '26, we'll be able to produce more wagons than what we have been doing in FY '25?

Sudipta Mukherjee: We are I think -- I mean, if you analyze the numbers and in the trajectory, I mean then you can -- I mean the answer you will get immediately. Of course, it is on an improvement basis. And that is the expectation and that's the endeavor.

Akash: Understood. Okay. I just want to understand the margin of improvement. Would it be double digit or how much growth we can see in FY '26? Just an estimate?

Sudipta Mukherjee: You go by the guidance, I would suggest again, Akash. So these numbers are never being discussed in such a manner. So we are showing growth or our -- you can see the results whatever we are working in. And we can only say that your management is working relentlessly to improve upon all the fundamentals.

Hemant Bhuwania: Yes, it has shown historical growth and we'll continue to do that.

Akash: Okay, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Deepak Sharma, an Individual Investor. Please go ahead.

Deepak Sharma: Thank you for the opportunity sir and congratulation on the good numbers. Sir, just one question is in the previous calls you have given the guidance of 12% to 13% margin in the 1 and 1.5 years. So it's already two quarters are passed. So you are expecting that in FY '26, we can achieve 12% to 13% EBITDA margin?

Hemant Bhuwania: So Deepak just two points over here. We do not foresee that we had given any forward-looking statement of 12% to 13%. However, to answer to your question the numbers which you are seeing over here is a consolidated number of Infra-Green Energy, Bright Power and Freight Car division. So if you see only the results of Freight Car division we have an EBITDA of INRINR11.85 crores that is almost 12% over.

Deepak Sharma: Okay. And one question from the budget side. In budget, the Indian government has given a flattish type of allocation to railways. So do you think that you will get enough orders in FY '26, because the budget numbers are flat?

Management: So, Deepak some technical glitch we do not know how. Apologies for that. You may please continue with your question.

Deepak Sharma: The question is suppose you are doing INR10 in revenue in H1 and consistently in the past calls you are saying that H2 will be much better than the H1. That means we can expect the quarter 4 number will be at least at par or better than the Q3?

Sudipta Mukherjee: That's the endeavor.

Deepak Sharma: Sorry?

Sudipta Mukherjee: I said that's the endeavor. We have been doing it from the -- you can see that we are always trying to improve upon the past. So, that's the endeavor of the management to do better.

Deepak Sharma: Okay. My last question...

Sudipta Mukherjee: Negative impact, we don't foresee negative impacts for the coming quarter. So hopefully...

Deepak Sharma: Okay. My last question is, what are the opportunities and threat you are looking for the FY '26 from the railway perspective?

Sudipta Mukherjee: Opportunities, I mentioned, Deepak, that we feel that there will be -- along with the railway, railway will continue to have their procurement plan, whatever they have done for a longer term. And we feel that in the coming year, they may come up with larger -- I mean, with a large number tender again. And -- but that is the expectation.

But because as per plan, so far, last 3, 4 years, things are moving. So it is due. So naturally, it has to come. We also feel that the private sector investment will grow in the infrastructure, various things like minerals, coal, iron ore and this food grain and container movement, perishable, auto. So these things will get a very good momentum in the coming year. So these are the opportunities.

Threat, of course, is perhaps is a kind of an unknown thing that what would be the global dynamics in terms of the geopolitical situation, we do not know. But India, I think, is on a right trajectory. And of course, we are bullish about it. And your company has a kind of a risk mitigation while we are into almost all continents where we are steadily increasing our supply and customer base. That also comes as an opportunity and also comes as a risk mitigation.

And third point of risk mitigation, I would like to say is that the movement in the Rail Infra and the Electrification sector, our order book is very steadily growing, because we are consciously moving into that. The profitability is very good in that also. And we really want to harness that and make a complete bouquet of very good performing verticals within the company.

Moderator: Thank you. Next question comes from the line of Abhijeet Singh with ICICI Securities.

Abhijeet Singh: Sir, my first question is on the flat number of wagons in the budget for FY '26. So -- and the reduction of the number of wagons for FY '22, the revised estimate versus the budget estimate. So in the light of these changes that have happened in the budget, how do we look at the mindset of the Indian Railways and the government?

Like going forward, the initial plan to shift a majority share of the freight loading to railways from road, is there a delay or is there a change in mindset at the government level that we see right now and that could hamper the order inflows going forward for us? That's my first question.

Sudipta Mukherjee: Yes. I said that, I couldn't understand the first part of the statement made, which was included in the question, that it was perhaps was mentioned that some allocation has gone down in freight wagon. Could you please repeat that part, because I'm not privy to any such information? So I want to know from you first.

Abhijeet Singh: Sir, I'm saying that for FY '26 budget estimate, the wagon number has remained flat at about INR38,000. That is the budgeted number. So in that context, do we see a risk to our order inflow going forward? Or is there a structural change in mindset by the Indian Railways as to the initial plan of shifting the freight loading from railways to roads? So is there a change in mindset that you see happening here and there?

Sudipta Mukherjee: No, we do not see any such shift in the mindset at all, because it is not sustainable. In railway, we have to move more and more for better connectivity. I mean, lesser number of logistic cost. And for carbon emission, targets and everything for the global requirement. And I mean, we don't find any shift at all.

And if you see, I think if my data is correct, I mean, rail freight is one of the major income of the government and Indian Railway, which is on a steady growth trajectory. Last financial year also, I think it was around INR1.88 lakh crores, which is also a significant growth. So I feel it has to continue. And whatever figure you have said, INR38,000 or whatever, actually, if we calculate the national rail plan, so it comes around INR38,000 to INR40,000 per annum only. And with the boost of the private investment, so which is a very, very healthy and on track, very good thing for us.

Abhijeet Singh: Right, sir, Sir, and second question would be on the exports. Sir, right now, with the change in the US administration and the policies that we have seen of late, sir, what is the kind of risk that we anticipate to our business of -- particularly of casting that we export generally?

Sudipta Mukherjee: So see, we do not know what tariff regime and all of these have to come. But we know that US railroad is due for -- overdue for renewals. And we expect a huge momentum and investment has to happen for that country to be better off. And they do not have enough resources or sources to have these things procured. And considering the relationship and the trend we see in the geopolitical issues, I do not want to name any other country. We have -- we are very -- I mean, well poised, and that's why we are gearing up for better numbers to give it to them.

And one of the major reasons also in our belief -- one is the demand in the market. To answer you straight, we feel it will be fair for India, and it will grow. And so far coming back to us in our capability question, we are efficient. We are cost effective globally. So -- at quality standard-wise also, we are competing with everybody. So we find -- we don't find much threat in and around it.

Abhijeet Singh: Sir, are we also looking at opportunities that we might be able to capture? Once, if there are tariffs applied to some other countries, let's say, which are doing business with them already. So let's say, some other product line or something that we could capture in this event. So are we looking at...?

Sudipta Mukherjee: Yes, it's a very good point you have mentioned. It's all about the transportation cost and the tariffs. And your company is absolutely flexible, and we are known for our good relations with various global partners across the world. And if you -- I would also like to give you a hint on certain important criteria in terms of our selling of castings that we are -- we have our presence in Australia, and that part is also going up. And in the mining sector rather than railway, we have forayed into. And we are -- I mean, we feel that it's a significant growth engine, domestic as well as export.

Moderator: The next question comes from the line of Balasubramanian with Arihant Capital.

Balasubramanian: Sir, out of this 11,500 wagons, how much comes from private wagons?

Sudipta Mukherjee: So, the total number of private wagons in 9 months is 2,679 numbers. So, if the prices is 25% approximately, and railway is 75% as on date.

Balasubramanian: Sir, currently, we are importing wheel sets from China. So what would be the price difference between Indian wheel sets and Chinese wheel sets?

Sudipta Mukherjee: It is a varying cost and it is almost competitive.

Balasubramanian: So, sir, what is the current price for wheel sets, we are importing. How much is the realization?

Sudipta Mukherjee: Apple-to-apple, there are various types of wheels. Apple-to-apple, it is almost same.

Balasubramanian: Okay, sir. Is there any price range, sir, like importing the wheel sets prices currently? Earlier it would be anywhere between INR2.3 lakh to INR2.7 lakh per wheel set. Is there any changes right now?

Sudipta Mukherjee: I've not got your question.

Balasubramanian: Earlier, the wheel set price is anywhere between INR2.3 lakh to INR27 lakh per set. Is that in the same range or is there any price increase happened?

Sudipta Mukherjee: So, I think, it has come down, because the supply is more than the demand in the market presently.

Moderator: Ladies and gentlemen, we have reached the end of our question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Indrajit Mookerjee: Thank you very much. And I'd like to -- personally, we like to thank all the investors or all those who are interested in knowing about our company. I could only say that we are not going to disappoint you. We are -- our team is working as our Managing Director, Sudipta Mukherjee has mentioned, relentlessly to improve the performance. And you must be also watching it and seeing it from distance - from the numbers. They are showing an upward trend in all the numbers.

If we'd look at the problem that, there's only one problem that we had, is that, we had a flat numbers between Q2 and Q3, and that was because of an absolutely difficult situation that we passed through, which was not within our control, which we discussed a lot in the conversations that it was due to unavailability of some very key components for making the freight cars.

So you would see us growing. You would see us getting the best of the opportunity. You would also see that our acquisition is very strategic. We are developing and moving into better designs of wagons. We also are looking into the private segments, which also you will see there is a phenomenal change has taken place.

We used to be 10% of our order on private, which has gone up to 25%. And there is a number that -- it's not that we're going to do all private wagons, but I think, we have almost come to an optimum number, that is the best, because there are many other advantages also of doing the railway wagons. So the railway, we are very interested in doing railway wagons. It's not that we would like to do only private. I think, we have come to a very healthy mix.

You also will see us growing in the other areas. That's the reason we have decided to demerge the EPC business, which is the Infra-Rail & Green Energy business. And you would see also some -- our foray into the very careful step into the passenger mobility. As you have seen strategically, we are moving through component supplies, like the acquisition we have made to buy a European company called Saira, where we make the interior. So it's a very careful step we are trading through. We don't want to take too much risk, so that we are in a position where we can keep on delivering without blips.

So with these few words, I'd like to once again thank all of you to be with us, and we all need your good wishes for us to succeed. Thank you very much.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.