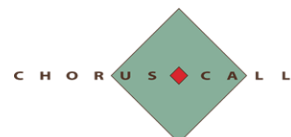




“Texmaco Rail & Engineering Limited
Q2 FY '26 Earnings Call”
November 12, 2025



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. AMIT GUPTA – ICICI SECURITIES**

Moderator:

Ladies and gentlemen, good day, and welcome to the Texmaco Rail & Engineering Limited 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 during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. Please note that this conference is being recorded.

I now hand the conference over to Amit Gupta from ICICI Securities. Thank you, and over to you, sir.

Amit Gupta:

Good morning, everyone. On behalf of ICICI Securities, we welcome you all to the Q2 FY '26 Earnings Call of Texmaco Rail & 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 delay, I will now hand over the call to the management for opening remarks, which will be followed by interactive Q&A. Thank you, and over to you, sir.

Indrajit Mookerjee:

Thank you, Amit. Welcome, and good morning. This is Indrajit Mookerjee, Executive Director and Vice Chairman of Texmaco Rail and Engineering Limited. I would like to warmly welcome you all to the earnings discussion for the second quarter and first half of the financial year 2026. The financial results and presentations have already been filed with the stock exchanges, and you all must have taken a look at the same.

For the quarter, company reported a revenue from operations of INR1,258 crores with an EBITDA of INR132 crores, reflecting a margin of 10.5%, which shows a very gradual increase and profit after tax of INR64 crores at a margin of 5%, which is also an improvement. For the first half of the financial year, revenue from operations totalled at INR2,169 crores and EBITDA reached INR211 crores and PAT was at INR93 crores.

Texmaco delivered 2,334 freight cars during quarter 2 of FY '26, showing an increase of 28.6% compared to 1,815 units in Q1. The Foundry division achieved sales of 8,413 metric tons for the quarter.

The performance of H1 FY '26 was partially impacted by two main factors. Firstly, the short supply of wagon wheel sets, which affected both Q1 FY '26 and at the start of Q2 led to delays early in the quarter. The supply is now -- supply issue now has been resolved, and we expect production to return to stable levels in the coming months to come. Secondly, the Foundry division was impacted by U.S. tariffs on exports, which led to decline in export sales during the quarter. You would be happy to know that we are taking necessary actions to circumvent any such external factors for the future.

As of 30th September 2025, the order book was valued at INR6,367 crores, providing a strong visibility for execution in the coming quarters. The order book includes both new and ongoing projects across freight mobility, traction system and rail infrastructure. During the quarter, company secured several key contracts, which have contributed to the order book and reflect ongoing demand for Texmaco's products and services. These projects cover a range of offerings,

including freight wagons, rail and non-rail electrical infrastructure, ensuring continued business flow and stability in the near term.

A significant milestone achieved during the quarter was the successful completion of the amalgamation of Texmaco West Rail Limited with Texmaco Rail & Engineering Limited. This merger consolidates and brings the best of the desired synergy in our operations, engineering, production and project delivery functions and streamlines execution across the business. The integration enhances our efficiency and positions for improved operational coordination as we move forward.

In addition, in line with the MOU announced in the previous quarter, we entered into a joint venture agreement with Rail Vikas Nigam Limited, RVNL. This strategic partnership focuses on rolling stock manufacturing, rail infrastructure projects and expanding our presence in international markets. By combining Texmaco's manufacturing expertise with RVNL's project execution capabilities, the joint venture establishes a strong foundation for sustained growth and allows us to pursue larger scale opportunities in the rail sector.

Further, Texmaco has also signed an MOU with HORMANN Vehicle Engineering GmbH as a partner of our Global Capability Center association to offer world-class passenger mobility designing services, including locomotives. The collaboration has potential for third-party design and manufacturing support where German engineering excellence meets Texmaco's manufacturing expertise. It marks a significant step towards delivering sustainable advanced rolling stock solutions for both the Indian and global markets, further enhancing our product development and manufacturing capabilities.

The sector continues to benefit from significant public investment. Indian Railways have recorded its highest ever first-half capital expenditure of over INR1.42 trillion with a strong emphasis on electrification, multi-tracking and safety systems. A key part of this investment is the adoption of the 2 x 25 kV overhead electrification system by Indian Railways. This system is expected to improve network efficiencies, enable higher speeds and increase freight capacity.

These investments are expected to drive demand all across for Texmaco's products and services, particularly in traction systems and rolling stock. As Indian Railways strengthens its position as a more sustainable and energy-efficient transport option than road transport, it is set to play a key role in country's green transformation. This shift creates substantial growth potential for Texmaco. The company expects stronger traction in the Rail and Infrastructure division as we intensify our bidding activity, supported by a favorable policy environment and increasing project visibility.

Looking ahead, Texmaco is focused on executing its growth strategy through an integrated operational base, expanding partnerships and a very clear road map. The company is committed to increasing its market presence, both in India and also in international markets while driving long-term growth through strategic partnerships, continuous innovation, improved efficiency and optimum utilization of resources.

At this point, I would like to thank all of you for your patient hearing. We are here with our Managing Director, Mr. Sudipta Mukherjee; and also our Chief Financial Officer, Mr. Kishor Kumar Rajgaria. We now open the floor for questions. Thank you very much.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.

Rajesh Bhandari: Yes. Yes, Yes. Sir -- good morning, sir and congratulations for better results this quarter. Sir, I wanted to ask you something. We have a joint venture with RVNL. We have a joint venture with a German company also. The railway is expanding so much. We have also taken business from Jindal. Sir, in the next 1 to 2 years, what kind of expansion in the turnover can we expect?

Indrajit Mookerjee: Hello, Mr. Rajesh.

Rajesh Bhandari: Hello, sir.

Indrajit Mookerjee: We are meeting after the festive season. So, I would like to wish you and all the other investors a happy Diwali.

Rajesh Bhandari: Sir, I wish you also a happy Diwali.

Indrajit Mookerjee: Yes, yes, yes. So, I mean, you said 1 year, so we actually...

Rajesh Bhandari: Sir, 1 to 2 years. Sir, 1 to 2 years.

Indrajit Mookerjee: So, in our growth path, it is like we multiply the top line and bottom line.

Rajesh Bhandari: Yes, sir.

Indrajit Mookerjee: In XMACO, we have adopted a mid-term and long-term strategy for a minimum of 3 to 5 years.

Rajesh Bhandari: Yes, sir.

Indrajit Mookerjee: The business we are doing now, we hope to grow in the core business and make our dominance and become a globally efficient and sought-after company. And even leaving this, we are working on some diversification related to railway, which is on the side of passenger mobility, on the side of locomotive.

And even leaving this railway, we are working on some other business line. And all that is in the strategy, like defense sector, renewable energy. So, in all this, your company is working very effectively. And we will do all these fractify by combining the overall. And we will also multiply in the top line from our last turnover. And bottom line, definitely in the coming days, you will get continuous good improvement, which is above the mid-team.

Rajesh Bhandari: Yes. Sir, the other one was that you have took Jindal business for INR650 crores. How many orders did you get related to that, sir? And what is expected in the next 1 year, 2 years?

- Indrajit Mookerjee:** See, last year, we made about 11,000 wagons by combining both. This is the part of Texmaco. So, our Texmaco has four manufacturing units and one that is coming with European joint venture, right?
- Rajesh Bhandari:** Okay, sir. Okay, sir. If you look at the quantity, then we had reached nearly 1,000 per month already. So, it is not a challenge for us. So, we can make 15,000-16,000 wagons in a year. And the support of the market, let's say, we have become a domestic market, which is the order of the Government of India.
- We think that the private sector will grow very well in the coming days for a specialised group. In which Texmaco is in a clear advantage position because our design and expertise are far ahead. And we are consistently doing well in the market and getting good traction.
- So, overall, by bringing Jindal and doing all this, which is our broader picture, which I said earlier, that we have to dominate in the core business, that to become big, we have to become one of the sought-after companies of the world. So, to that extent, we definitely got help. And our focus is on private export, we are getting its benefit in everything.
- Rajesh Bhandari:** It is a profitable thing?
- Indrajit Mookerjee:** Absolutely.
- Rajesh Bhandari:** Yes, because we have spent about INR650 crores.
- Sudipta Mukherjee:** The Jindal -- Mukherjee, Indrajit Mukherjee was talking about...
- Rajesh Bhandari:** Yes, sir. Namaskar, sir.
- Sudipta Mukherjee:** Namaskar, sir. The Jindal that has come with us, we got a very good synergy and we are getting a very good result. Because Jindal also makes specialised wagons.
- Rajesh Bhandari:** Yes, sir. Yes, sir.
- Sudipta Mukherjee:** But higher pricing, higher margin. It also has given us a strong presence on pan-India basis. There is such a big production base in Kolkata, now in Gujarat. And most importantly, its synergy is very good. So, the way we planned and did it, we are getting better results than that.
- Rajesh Bhandari:** So, there is a demand for their product?
- Sudipta Mukherjee:** Yes, the demand is on the market, but the operating synergies are very high.
- Rajesh Bhandari:** Yes, yes, yes. Sir, there is demand as of now?
- Sudipta Mukherjee:** Acquisition, there is a successful acquisition in one word.
- Rajesh Bhandari:** Yes, yes. Okay, sir. Okay, sir. Thank you, sir. Thank you.
- Sudipta Mukherjee:** And I will add one more thing.

Rajesh Bhandari: Yes, sir. Yes, sir.

Sudipta Mukherjee: You will see that it does not end here.

Rajesh Bhandari: Yes, sir.

Sudipta Mukherjee: In a very good strategic place, as Mr. Mukherjee has mentioned, which is in Gujarat.

Rajesh Bhandari: Yes, sir.

Sudipta Mukherjee: So, there is a lot of opportunity for our expansion there. Because the land bank is very high. And it is an industrial land and very strategically located. So, it is a very good return in future business synergy.

Rajesh Bhandari: Yes, sir. Yes, sir. Yes, sir. I wish all the best, sir.

Sudipta Mukherjee: Thank you so much.

Indrajit Mookerjee: Thank you. Thank you, Rajesh.

Rajesh Bhandari: Thank you, sir. Thank you, sir. Thank you.

Moderator: Thank you. The next question comes from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good morning, sir. Thank you so much for the opportunity. Sir, on the [wheelset 0:17:06] side, how is the supply side right now? And what are the specific variable indicators of normalized supply from Indian railways? And what is the current lead time for wheelset? And how do you look at maybe in coming months for wheelset supply from Indian railways overall the industry perspective?

Sudipta Mukherjee: So, it has improved significantly. And as of now, there is no challenge we envisage in the supply of wheelset in terms of the lead time. So, it is a continuous process. And there is allocation and dispatch from railway factory every day to all the wagon manufacturers, depending upon the performance and some other criteria that which kind of rolling stock they are supplying to Indian railways.

So, in that sense, in the near future and in this quarter and the coming quarter, as of now, there is no forecast of disruption. So, we feel that the momentum will continue and it will help in increasing the production and supply to Indian railways.

Balasubramanian: Okay, sir. Sir, foundry division witnessed a volume dip in Q2 because of the US tariffs. And how do you look at margin profiles in foundry business? And, like, is the growth in higher margin non-railway segments like auto mining, like, compared to the low growth areas? And also, we are targeting 3x to 5x kind of growth in exports for next 2 to 3 years. Given this tariff impact, how do you look at that exposed export business? And which are the geographic we are focusing on that?

Sudipta Mukherjee:

So, foundry business has remained one of the most lucrative business for Texmaco. Although, I mean, you have seen that in last couple of quarters. I mean, if you see last 2 years or so, we have unleashed the capability and capacity of foundry. And this is one of the, I think, the leading and largest sought-after unit globally. And which is a pride and it remains to be a pride.

In one or two quarter due to global situation does not make us shaken. Because our portfolio too is diversified. And definitely, if something suddenly happens, you get a hit and because you remain on that production continuity. But if you see that our portfolio we supply to Indian railway, yes, we supply significantly to US and for railways.

And other than that, we have also started making, I mean, supplying to mining. And it is not only in US, it is in also other part of the world like Australia. So, those things are growing. And you will be happy to know that we have added in our portfolio certain other boogies and couplers, which are not of Indian railway specification, but more of other global standards. And Texmaco has gone into that league of having their own product.

So, where we don't need to depend on the global sources to supply those, while we supply rolling stocks to the world market. So, you know that in India it is broad gauge. But there are some other gauges like cape gauge, meter gauge, standard gauge. So, those things we are getting into. We have also got into the locomotive coupler in India. And I am happy to let you know that we are also -- we have also gone into the passenger train coupler.

So, all of these added and one of the very important business which is coming up for Texmaco is track renewal. I mean, you know weldable crossings which are Indian Railways in its infrastructure mission to upgrade the railway track has laid a huge significance and already demarcated money. And we are an approved developed source by railway. And our supply has started this quarter, last quarter. And we are significantly ramping up that.

To come to the export orders, we are -- I mean, in which region we are in? So we are in Africa, we are in U.S., we are in Australia and of course, other than the domestic supply. And this temporary problem of U.S. supply, we are very much actively working around it, and we are very much hopeful that in -- very shortly, we will overcome this problem, and we'll have a solution to get back to normalcy and make it better from there. So we are not worried at all on this course. And the margins remain very steady and healthy.

Balasubramanian A.:

Okay, sir. Sir, I think earlier guidance around 35% to 40% kind of growth for freight car divisions. And what kind of mix we can expect on the railways and the private side? And how is the demand coming from private wagons? Is there any shift we can expect in the near term? And is there any delay for tender pipelines?

Sudipta Mukherjee:

So majority of the tender in the Indian railway, if you have seen that previous old tender, there are some outstanding with manufacturers. So perhaps I mean, the railway is weighing that when to come up with that. But so far, our -- I mean, whatever we know that it is expected to come at least within the last quarter of this financial year.

We are having sufficient order to execute even towards the middle or towards the third quarter of the next year. So -- and orders are continuously flowing other than railway also from private and export. And we feel that we will be able to see some very good momentum on both of those.

And one thing I would also like to mention to you, you know that Texmaco also has a leasing joint venture and which, of course, other than the manufacturing and supply, they go to the leasing team, it comes a very good team for catering to the private companies in the domestic market. So we have a big hope that this synergy is going to help us a lot.

So in one sentence, we do not envisage any challenge to have good order book. But in terms of the growth, growth we would like to define by efficiency, not in terms of only wagon number volume. I have indicated that we can manufacture given a situation of 15,000, 16,000 wagons a year, so which is highest in the country and one of the highest in the world.

So it's never been -- it's not going to be a challenge with the capacity capability and versatility Texmaco has. We cater to all the specialized segments. And all the segments like cement, steel, if you see that is growing from a range of 4% to 6% CAGR and the economy is very buoyant in the country. So in near future, also beyond a year or two, we do not envisage any challenge.

That gives us strength to solidify our core business and put us in a very unique position to unleash this requirement. In terms of the growth guidance, we feel that we will continue to grow significantly, as I have mentioned in my previous answer in the top and bottom line multipliers.

Balasubramanian A.: Okay, sir. Sir, net debt is around INR600 crores, and we also have a phased capex for foundry expansion and potential new initiatives. What is the anticipated peak net debt level over the next 18 to 24 months kind of range? And this capex is primarily funded through internal accruals or debt?

Sudipta Mukherjee: So I would like to put it to Kishor for the specifics, but I would just like to put you on a theme that when a transformation journey is on and a growth journey is on. So specific figures and ratios sometimes may not take us to the right conclusion. But we are in a position of a transition for a high jump. So one should take it from that perspective. That's just on a notional theme I'm just setting. I will request Kishor to answer this question.

Kishor Kumar Rajgaria: Yes. Considering the current businesses and foundry expansion, we would not be requiring much more debt. So it will be through the debt we already have and this balance from net accrual.

Balasubramanian A.: Okay. My last question is, what is the scope of work and initial opportunities pipeline for RVNL JV?

Sudipta Mukherjee: I didn't get you. Can you be a bit louder?

Balasubramanian A.: Sir, could you please quantify the initial opportunities pipeline, scope of work with RVNL JV?

Sudipta Mukherjee: So we have already outlaid the scope that what we want to do with RVNL and Mr. Mookerjee has mentioned it in his opening speech also. So I do not want to repeat it because there may be some other people who would like to answer. To give you a statement of this that we are in a process of finalizing the SHA while we are also working on the opportunities parallelly.

So there is something which is going to come, which for a different market and different product portfolio, and on a complementary basis where Texmaco today is not there. And in one sentence, it has to be -- it will be a quantum growth opportunities in areas of railway infrastructure and rolling stocks, not in necessarily wagons.

Indrajit Mookerjee: Yes. I just want to supplement Sudipta sir, by saying that I will be -- we will be all hesitating to quantify. But as it has been said by Sudipta, it opens up vast avenues for us to play in the rail segment. So the future opportunities are very good. So I think as our investor, I'm sure you will be happy to know that we have made such a pathbreaking arrangement, pathbreaking agreement together.

Moderator: The next question comes from the line of Parvez Qazi from Nuvama Group. Please go ahead

Parvez Qazi: Thanks for taking my question. So my question was regarding our wagon order book. I mean in terms of number of wagons, what would be our wagon order book currently? And I mean, what are our thoughts about incremental new wagon tender both from railways as well as private sector?

Kishor Kumar Rajgaria: Yes, we are having current order book as on 1st October of about 6,500 wagons. And we are working on future opportunities, which Mr. Sudipta Mukherjee will explain.

Sudipta Mukherjee: Good morning, Parvez. Good to hear from you. I mean, in addition to what Kishor has mentioned in terms of the figures, I would like to say that to think of a 3- to 4-quarter order book should be decent in terms of the 3 quarters order book, should be decent in terms of the present scenario.

Because if you see that in the domestic environment also, whatever order book is coming today, I mean, everybody wants a faster delivery. So the lead time of placing the order has come down drastically over the years, except the long-term railway tender, which we have seen three years ago. And in terms of the volume, we will be having enough orders to follow our guidance. That's what we see, which was given earlier.

If you talk about the market share. I mean, our execution has significantly improved, and we are more than 30% today in the market, which is highest. And we believe that we will continue this momentum and would do better on this.

Moderator: Thank you. The next question is from the line of Ishita Lodha from SVAN Investments. Please go ahead.

Ishita Lodha: So now that the short supply of wagon wheel sets are behind us and now production levels have become stable, and we have capacity of about 15,000 to 16,000 wagons in a year, and we have order book of also 6,500 wagons right now, and we are also expecting more tenders, so can we expect to sell 6,000 wagons in H2?

Sudipta Mukherjee: Not at all. So because these contracts are not exactly deliverables within this time line. And there will be some wagons, which will be also delivered by mid of next year.

Ishita Lodha: So how many wagons are you planning to sell in H2?

- Sudipta Mukherjee:** I cannot be specific because it cannot be said, but whatever you have seen in the last quarter, definitely no less than that, and we expect to better from there.
- Ishita Lodha:** Okay. So was the production in October higher than September month because the wheel sets supply has increased?
- Sudipta Mukherjee:** We don't go by month by month.
- Ishita Lodha:** Just a directional sense that the monthly production is high.
- Sudipta Mukherjee:** It is on an upward graph.
- Indrajit Mookerjee:** Yes, directionally, you will see that first quarter to second quarter, there is an upward direction.
- Ishita Lodha:** Yes.
- Indrajit Mookerjee:** That's a trend. But as you know, when you have a lower base, you have a higher percentage number. So when we have a higher base, the percentage number comes down. But we can assure you that our productions are going on the upswing.
- And as I think Sudipta has very nicely explained to another investors that because of our efficiencies and because of our capacity, we are in a position to deliver quickly, which is a tremendous unique selling proposition that we have. That beats basically the industry that we can quickly deliver.
- Ishita Lodha:** What kind of opportunity are we looking from the tenders that are expected to come in Q4?
- Sudipta Mukherjee:** That's a speculation then I have to do. Because I can tell you that as far as the sales to international market and private market is concerned, it requires lots of marketing efforts, which we are doing very, very strongly. And also, we are looking at -- and also, I think somewhere -- some time back, we mentioned of our leasing arm because many private customers are now -- don't want to put in their -- make capital investment, they want on leasing. So that's another route from where the wagons come to us.
- So we are doing lots of -- in fact, you would see that a percentage of private wagon as the percentage of the total wagon orders have been ramping up in our portfolio. So we are very strongly looking at that. We are very strongly looking at the export market. We have some export orders already, which is also path breaking. As far as the railway tender is concerned, we can only speculate. So I think it will not be fair to speculate on our behalf.
- Ishita Lodha:** Fair enough. Last question that in case of Jindal Rail, I heard that you mentioned that we have good synergy. So can you elaborate on this? How -- what is the cost savings that we are getting from this and how it is helping aiding our margins?
- Sudipta Mukherjee:** See, you have -- the synergies are in different ways. You have product synergy. So if you have some specialized wagons have to be made, then Jindal facilities very strongly can do that. There are also synergies of being a big buyer, you can negotiate with the vendors because you are a larger buyer for the bought out for whatever you buy as a components or as spares.

You also have the synergy of manpower because you can -- a lot of work like the design and a few other things can be done centralized. And that's why we formed the GCC, which is a global capability and design center. So we also -- the same establishment that GCC in Delhi also is a global supply center.

So these are all the synergies, which are actually mostly copybook synergies. Every acquisition, you first look at what are the synergies. And I think all these synergies were available when we were considering buying Jindal and now that we bought and we have spent 1.5 years, we see that all these synergies are getting satisfied and working out. And that's why you would see that gradually the numbers, the ratios are improving.

Moderator:

Thank you. The next question is from the line of Vishal Thakkar from Balaji Investments.

Vishal Thakkar:

First, my question is all about order book. What I see is for this current quarter, you have given guidance of INR6,300 crores of orders in hand, whereas it was INR7,000 crores last year -- last quarter. So that is a reduction in total order book. And my second question is about the QIP allotment you have done last year to a lot of FIs and domestic investors.

And when I see the shareholder list, I don't see any of these QIP people who have bought it are still holding the stocks. So why those people have sold it, what made them sell the stocks immediately after QIP? And my third question is about -- for last couple of quarters, we are seeing INR1,000 crores to INR1,200 crores of sales every quarter. So why don't we do something about increasing the sales, this quarter-wise it has to grow substantially because last couple of quarters, this has been the scenario. So these are the 3 questions, I would be very happy if you can reply.

Indrajit Mookerjee:

Yes, very intelligent questions. I think I will only answer the second one. And the first and third one will be very amicably answered by our Managing Director, Sudipta Mukherjee. The second question was why the investors are -- they have not stuck to us is an answer which we don't know. It's very difficult to say why an investor, because various investors, as you know, yourself is an investor.

So you invest for various purposes. Some people invest for long-term gain, some people invest for quick gains. So it's very difficult. Some people, of course, feel very thin that the company is not good. So if the third one is the reason, I can tell you that the future of the company is very strong.

I have already mentioned to it why it is strong because we are -- our -- our 5-year plan, our tactical plan are for wagons, for adjacencies, bringing in USPs in wagon, efficiencies in wagons, designs in wagons, private and export market. So -- and also, we are also strongly playing in our -- in the EPC business. So the market is very stable for us.

So answering the second question is that if some people -- if investors feel that the future is wrong, I think I would like to disagree as we see because we are always -- and constantly we are making our best efforts to stabilize the company so that it is very attractive for the investors. So if there are other reasons for the investors to -- not to remain with us, it is a very difficult question

for us to say why they go out, because there are strategies, I'm not aware of. So I would like to hand over to Sudipta sir to respond to question number one and three.

Sudipta Mukherjee:

Okay. Thank you. So I just wanted to do in a combined answer because I mean, you see that last year we did a top line of around INR5,100 crores, which is significantly -- a significant growth on a year-on-year basis. Now in such a top line, our order book of 300, 400 here and there and which is a continuous -- I mean, which is continuous in nature and still maintain the position of growth and moving towards an improved direction should not be taken as a wrong indication.

It is not a question of capability. It's a question of overall scenario of what is available in the market and also our faster and quicker execution. So the gap between this that how to make it better and how to get it, we are aware of this and we are -- you will definitely see the upward momentum or rather, I would say, a balanced momentum in terms of our growth trajectory of execution as well as an order inflow.

The second is that why we do not finish it quickly because as I said, that every contract has its own time line of delivery. So wherever it is possible, definitely would like to pre-pone. Wherever it is not possible, so we cannot. Because it is a railway rolling stock, it has to line on an infrastructure. It is not like that I can dump it anywhere.

So it has to be in line with that. And if we have picked up our production, definitely, we have a few indications where customers are keen to take early delivery. And that's why I said that whatever momentum you have or growth you have seen in the last quarter, we want to do -- remain on that or do better from there. And it's a continuous process. And definitely, if we have indicated that we are capable to do 15,000, 16,000 wagon, as a company we are looking forward to newer markets, newer horizons, newer continents to fulfil that capability match.

Indrajit Mookerjee:

Does answer your question, sir or there's something else?

Vishal Thakkar:

No, sir, I just want to add to it. My last question was about we are still stuck to that INR1,200 crores of quarter turnover. So are we going to jump from here? When can we expect that any jump happening in this -- getting out of this INR1,200 crores per quarter turnover?

Sudipta Mukherjee:

So this INR1,200 crores per quarter is also -- you see that it is one of the highest compared to -- if you compare with a few quarters, then it's on a growth trajectory. We definitely believe we can do better from here in line with our growth trajectory.

Indrajit Mookerjee:

We have different product mix to do that.

Vishal Thakkar:

So do you maintain the guidance for the next couple of quarters, we'll be able to at least match at least 1,200 we'll be having or we will never go below this?

Sudipta Mukherjee:

Sir, we have always telling that we want to do better from here.

Indrajit Mookerjee:

I mean, to be very frank, we see growth. But as I mentioned a little while ago, when you have a high base, your growth percentage will not be very high. But it will be high. It will be growing. It depends a lot on the market.

- Sudipta Mukherjee:** No, one thing I would also like to add on your point is not only the -- don't only look at the revenue or the top line because we also equally want to focus on the bottom line, not only in terms of -- we do not only want to be number one in volume, but we want to be efficient company where our return is more. Margins are higher.
- Indrajit Mookerjee:** I think for you, we are trying to be the best performing company instead of the biggest company. But in the process, we will also be biggest because today we are the biggest. We are the largest wagon producers with 31% market share. That is what Sudipta had just mentioned.
- Vishal Thakkar:** Last question about the debt...
- Indrajit Mookerjee:** You can any time ask us questions, send us questions we will be very happy to answer.
- Vishal Thakkar:** This is the last one. Are we expecting any additional debt because I think it's around INR800 crores, INR900 crores that we are sitting at now on net debt of around INR600 crores?
- Sudipta Mukherjee:** It can grow -- I mean, see, it is not -- as you have very rightly questioned and the answer is there in your question. I mean, it is -- sometimes it can be more, sometimes it can be less. While we are constantly looking at the data for efficient debt service, but at the same time, on a -- we are on a growth transition. So definitely, the first answer of your question that, yes, we may require.
- Indrajit Mookerjee:** See, operating, we are -- our cash requirement is coming down because you would see that our receivables have come down, if you look at the balance sheet. So our operating cash requirement is getting more and more tighter and better because the ratio, if you look at the ratios, all the ratios, quick ratios and inventory turnover, you will find out that we have improved from last quarter to this quarter.
- Now as Mr. Sudipta Sir has said that sometimes you may require fund for expansion, growth, capital. So that is a secondary part. But operating, we are getting more and more efficient. And you can check from these numbers, if you have any doubt, most welcome to talk to Mr. Kishor Rajgaria or we have given an Investor Relations number. You can always talk -- send them messages, and I -- all three of us will be very happy to respond.
- Vishal Thakkar:** Thank you. That's it from me.
- Moderator:** Thank you. The next question comes from the line of Deeya Jain from Sapphire Capital.
- Deeya Jain:** So the INR6,000 crores order book that we have, what is the execution time line for it?
- Sudipta Mukherjee:** We -- it's a mix of all businesses. So far, rolling stock is concerned, we feel that it can go maximum some of the residue may go up to the beginning of middle of next year. So far, the infrastructure contracts are there, it is -- I think we have around 18, 20 months execution time line. So you can say it is 30%, 40% would be executed within this financial year, of the infra part of it, which is 50 -- around 40% of the over INR6,000 crores.
- Deeya Jain:** That will be executed by next year?
- Sudipta Mukherjee:** Yes.

- Deeya Jain:** And also, sir, our Saira Asia, which does like passenger coach interiors, where are we on that? Are we getting good profits from it?
- Sudipta Mukherjee:** Yes. So when we took over, you know that it was not operating and it did not have any business. We could have around a little less than INR30 crores order in the last year after we took over. We are in a process of execution and well ahead of time. And we are happy to let you know that while we are serving Indian Railways and we are working -- got some orders for Vande Bharat and other stuffs related to that for the domestic market.
- We are also being shortlisted for some -- by global measures for export. And we are hopeful that very soon, we'll be able to give you good news of a long-term service out of India to those European markets.
- Deeya Jain:** That's update. And can we expect EBITDA margins in the higher teens for FY '26 or still we are targeting lower teens?
- Sudipta Mukherjee:** We are not targeting definitely lower teens. But target is -- continuous target is to improve on the bottom line and to take it to higher teens. Yes, Texmaco is not going to do any business in the way forward or rather in other way. We are positively looking forward to certain growth businesses, while we have a strong focus to improve our present core business, take it towards the mid-teens and we are in process of adding a few growth businesses, which will take us beyond mid-teens. It will be on high teens in the coming quarters or coming years.
- Deeya Jain:** All right, sir. Thank you. All the best.
- Moderator:** Thank you. The next question comes from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.
- Rajesh Bhandari:** Thank you, sir, for giving me once again the chance. Sir, I had a question related to debt. There are 2-3 questions in the same question. For example, due to debt, the interest becomes around INR120 crores in a year. Secondly, the QIP that we took, the QIP people left. You told that you are giving it on lease to some people.
- So, sir, those who are being given on lease, why don't we make them a partner? Plus, instead of QIP, we can also issue rights. Then our finance cost will also be reduced in the process. Is that possible?
- Sudipta Mukherjee:** Yes, it is definitely possible. See, we move with a very clear financial strategy. So currently, we do not think that we should -- see, you go for a QIP normally with certain very clear objective in mind. We are not just retiring the debt and diluting the holding. It goes with certain growth opportunities, improvement in profitability, etc., particularly at the EBITDA level because at the EBITDA level only, you look at your operating efficiency.
- That is before -- so we obviously are scanning it. In fact, we have a 5 years rolling plan in place. So currently, we do not think the time is mature for going for another QIP. On the contrary, if you would see that we are keeping on improving our cash flow by tightening the operation.

So QIP is the easiest way to take some money and pay the debt. But instead of that, we are -- our debt equity ratio is very healthy. So this is the reason why we are currently not going for any QIP. We definitely will try and look at the other ways of fundraising when we go for some strong growth or strong reasons come up.

But we don't think it is necessary. On the contrary, I'm repeating, sir, that we are constantly looking at tightening our operations to squeeze out more money out of this.

Rajesh Bhandari: Yes, sir. And...

Sudipta Mukherjee: In the balance sheet, there is an improvement.

Rajesh Bhandari: Yes, there is. Sir, I did not mean QIP. The people whom you will give lease, wagons, etc. Make them your partner. So, their long term will be this.

Sudipta Mukherjee: Sir, there is one thing. Lease is not in our company. This is not part of our company. Okay. Leasing is a different company. In which we have a joint venture. With a very famous, well-known French company. The company is going to that company's book. Not in our company's book.

But when we get something in the lease, we get to make it. Lease does not come in our company. We have nothing. The leasing company is giving us a lot of money. If you look at our consolidated results with the JV contribution. Because we are consolidating the leasing company. We are consolidating it. It is being done by a French partner. But we get a lot of cash from it.

Rajesh Bhandari: No, I just have this much point, sir. Our EPS is 3 to 4. EPS only eats interest?

Sudipta Mukherjee: That is the right thing. That is the right thing in the company. We are doing it for that. Don't you think the best way is to improve your operation first?

Rajesh Bhandari: Of course. That is there, sir.

Sudipta Mukherjee: We have to do this for you. So we will do it.

Rajesh Bhandari: And see, there will be more improvement. See.

Rajesh Bhandari: Yes, yes. According to what you have said, probably in next 2 years, it will be something totally different.

Sudipta Mukherjee: We are expecting. Your good wishes will be there.

Rajesh Bhandari: No, no, sir. Sure. There is a group in cash, sir. There is an advent group. Automatically it is going to be too good.

Sudipta Mukherjee: Thank you.

Moderator: The next question is from the line of Vishal Thakkar from Balaji Investments.

Vishal Thakkar: Sir, I missed one important part. Few quarters back, you came out with this disclosure about some land bank you have and you're going to convert into real estate development of Texmaco Rail. Can you enlighten me what is the status of that? And what is the land bank we are looking and the value of the land?

Sudipta Mukherjee: See, actually, what is it? We have restructured our operations very well. We have a wagon business. We also do hydraulic power station equipment. We make bridges. We have restructured all this business. By restructuring all this, we have seen that we have a land parcel. That parcel is in Kolkata.

The work that we used to do there, your non-wagon business, we can do it in another place by merging. For this, our land became free. So the land became free. For this, we have thought that we can develop that land. It is not that we are going into land business. We are not going into land business. But that land became empty. For that, we have found a good point to monetize it.

In fact just now one of our investors asked me about the fund. This will improve the fund flow a lot again. So...

Vishal Thakkar: What is the land bank?

Sudipta Mukherjee: This land bank is near Kolkata.

Vishal Thakkar: What is the total area, like how many acres?

Indrajit Mookerjee: It is 12 acres of land.

Vishal Thakkar: And roughly, what is the value should be around?

Sudipta Mukherjee: We cannot say the value because it is very premature to talk about the value right now, but the land is about 12 acres.

Vishal Thakkar: And when do you expect this to monetize?

Sudipta Mukherjee: We start the work. It will take time. You know that it will take 12 acres to develop.

Vishal Thakkar: So why don't we sell it right away and take the money and then cut off the debt instead of developing it?

Sudipta Mukherjee: We've looked at that, but we felt that developing is a better option than selling it because we get better value out of it. And we are not in dire need of cash at this point of time. Our debt equity is fine. You have seen the ratio. It is one of the best, if not the best in the industry. We don't have any cash flow problem.

Vishal Thakkar: Okay. No, just to reduce the debt so that increase in EPS can be...

Sudipta Mukherjee: Yes, yes. It is possible. There are various ways you can reduce the debt. But we felt that we are not in a hurry to immediately sell it at a price, whatever you get. We are not in a distressed sell situation.

Moderator: The next question comes from the line of Hari Kumar, an Individual Investor.

Hari Kumar: Okay, sir. Two questions, sir. One is regarding this, we have huge capacities in wagons and we have Jindal and the NYMWAG JV is coming up. So are we envisioning any global push into the wagons business, sir?

Sudipta Mukherjee: Yes.

Hari Kumar: To derisk the domestic market?

Sudipta Mukherjee: No, Texmaco already dealing in -- I mean, we are the largest exporter of rolling stock from India. I mean I'm happy to let you know that this year, Government of India has given us award that in rolling stock and in heavy engineering, we are the number 1 in the country. So to -- I mean, this speaks about what we do. So, our market is domestic. In domestic, there is government and private. And till now, we have served around 16 -- 17 countries in the world. So -- and we are continuously focusing on the growth of that business.

Hari Kumar: Is there enough demand to absorb our capacity in the international market, sir. Is there a lack of orders from the domestic market?

Sudipta Mukherjee: I didn't understand your question.

Hari Kumar: Is there enough demand in the international market, sir, to absorb our capacity? We don't have any domestic orders?

Sudipta Mukherjee: I still did not get it, but whatever I have understood...

Indrajit Mookerjee: What is your question?

Sudipta Mukherjee: Whatever I have understood, there are...

Hari Kumar: Is there enough international demand to absorb our capacity, sir?

Sudipta Mukherjee: Yes, yes, yes. That's what I have understood. So international demands are there. And because world over, there is a push to infrastructural development and to move to greener solution of transportation. So railway is one of the most greenest transportation and efficient transportation, which directly impacts the inflation and GDP growth.

So which I think there is a greater consciousness all over the world that we have to invest money. And there is a lot of public investment, government investment towards that, which is helping the demand globally for rolling stock. The question is that how capable you are. And Texmaco, as I said, that we have done almost in all continents.

So we have the required certifications, capability and technical acumen to meet that demand. And a significant portion, even if any, there is a -- somewhere -- some country, there is a low, we feel that we'll be able to make it up with good demand from the other part of the business -- I mean, export market.

Hari Kumar: The second question is regarding this 2 x 25 kV transmission. Like how is the government funding for that, sir, because it's a new segment. And are we in any monopoly situation or globally situation for sir, in that?

Sudipta Mukherjee: It's not a monopoly situation. Government has come up. I mean, you see that the electrification in India for railways is almost over. So this initiative in terms of the electrification, but this is an upgrade, which government is doing and the financial plan and outlay has already been done. The tenders have started coming, and we have started winning.

This is one of our -- and this business is growing significantly. So far, the electrical infra business of Texmaco is concerned, we have almost 2 years order book and the contributions are in higher teens EBITDA.

So I mean, although there is not a monopoly, but we have a very, very good, agile, efficient system or capability within the company to serve this, and this business will grow significantly throughout the network of Indian Railway. And here also, we are working here in this sphere also, we are working for the export market, global market.

Hari Kumar: Thank you, sir.

Moderator: Thank you. In the interest of time, we will take this as the last question. And as there are no further questions from the participants, I now hand the conference over to management for closing comments. Over to you, sir.

Indrajit Mookerjee: Thank you very much. I would like to first express gratitude from all 3 of us, Mr. Rajgaria, Mr. Sudipta Mukherjee, our Managing Director and me for -- to all our investors for being with us. I know that you have interest to the company, and I know that you would like to know what's happening to the company and how we are taking it forward.

So only thing that I would like to conclude by saying that come what may, the market, good, bad, fluctuating, cyclical, we are here for you to circumvent that and to take the business through irrespective of the external factors.

And that's why the -- in the company, we make our strategies, we make our tactical plans. And I hope that we will not fail you. We will continue to deliver good results to you so that you feel comfortable remaining invested with us.

So with these few words, I would like to thank once again to all of you for your very patient hearing. Our investor relationships and our communication numbers are available with ICICI Security I-Sec. So through them, you are most welcome to address any questions, and we will be more than happy to answer to them.

Thank you very much, all of you.

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