

Trust & Technology Delivered

IC Electricals Company Limited

H1 FY27 Earnings Conference Call

12 November 2026

Management:
Mr. Sunil Kumar Verma - Managing Director
Ms. Devisha - Chief Financial Officer

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IC ELECTRICALS COMPANY LIMITED

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Moderator: Good evening, everyone. Welcome to the H1 FY27 earnings conference call of IC Electricals Company Ltd. Today on the call, we have the management of IC Electricals Company Ltd. As part of the safe harbor, I would like to inform you that this call may contain certain forward-looking statements and should be viewed in conjunction with the risks and uncertainties relating to the company's matters. Also, as part of compliance, please note that this call is now being recorded. I would now request the management to start with the opening remarks on the call. Over to the management.

Mr. Sunil Kumar Verma: Good evening, everybody. Thank you for joining us for our H1 FY27 earnings conference call of IC Electricals Company Ltd. I hope you have had the opportunity to go through our financials, results, and investor presentation. Let me start with a brief update on our performance and some of the developments on the business side. We have started the financial year 27 on a positive note. During our first half, our consolidated revenue grew by around 36% to 75.4 crores. We have also reported a good improvement in operating margins and profitability.

Our manufacturing business continues to be an important part of this growth. We are also making progress in the execution of our railway contract. As you are aware, we have been associated with Indian Railways for more than two decades. Over this period, we have developed capabilities in railway electronics, railway rotating machines and railway electrification projects.

Today, we manufacture a wide range of products, including alternators, auxiliary motors, traction motors, battery chargers, electronic control systems, and other equipment used in railway operations. We also undertake railway electrification projects covering everything from design and supply to installation, testing, and commissioning.

Coming to the order book, as of September 30, 2026, we have an outstanding order book of around 231 crores. This comprises 91 crores from the product division and 140 crores from the contract division. Our focus is to execute these orders within the scheduled timeline.

We have also executed more than 800 track kilometers of railway electrification work. This experience is useful, particularly because Indian Railways is now focusing not only on new lines but also on upgrading its existing railway lines to support higher speed and better efficiency.

Coming to manufacturing, we are focusing on expanding our product range and strengthening our technical capabilities. Technology is becoming increasingly important in the railway industry. Requirements are changing in traction systems, electronic control systems, safety equipment, and modern locomotives. To prepare for this, we have relocated our R&D setup to Delhi, which will help us retain highly qualified engineers. We are also in discussions with Korean partners for a possible technical tie-up. Our team has already visited Korea, and we are exploring how this collaboration can help us develop new products for Indian Railways and metro applications. Apart from the domestic market, we are looking for opportunities to expand our business in

international markets, particularly in traction motors and related products. This division has seen growth of more than 200% in the current financial year.

Coming to the outlook for FY27, we are targeting consolidated revenue of 200 crores for the full year, compared with 143 crores for FY26. As you know, our business generally sees higher traction in the second half of the financial year. This was also the case last year. We expect the second half to be stronger, supported by the existing order book and planned execution of ongoing projects. We are giving equal attention to our working capital management and ensuring that we optimize our resource utilization.

Going forward, our priorities are clear. We want to grow our manufacturing business, strengthen our product development capabilities, and continue to execute existing railway projects in a timely manner. We also want to ensure that as our business grows, our profitability and financial position improve alongside it. Overall, we are pleased with the performance of the first half and our focus now remains on delivering a strong second half. With this, I request our CFO, Devisha, to go through the financial performance in more detail. Over to Devisha.

Ms. Devisha: Thank you, sir. Good evening, everyone, and thank you for taking out your precious time and for your continued interest in our company. I will be taking you through our business and our performance for the first half of the financial year 27.

Let us begin with the standalone numbers. During the first half of FY27, standalone revenue increased to 73.21 crores from 55.47 crores in the corresponding period, representing year-on-year growth of 32%.

Profitability has improved at a faster pace than our revenue.

EBITDA has increased to Rs. 15.60 lakhs compared with Rs. 7.89 lakhs in the first half of FY26. EBITDA margins have expanded from 14.22% to 21.32%. PAT has also increased to 7.55 crores from 3.52 crores. The improvement in these margins reflects stronger operating performance and the contribution of our business mix.

Now, on a consolidated basis, in the first half of FY27, revenue stood at 75.46 crores compared with 55.47 crores in the corresponding period last year, representing growth of 36.1%.

EBITDA also increased to 16.28 crores from 8.04 crores, while EBITDA margins improved to 21.57% from 14.22%. PAT increased to 8.03 crores from 3.57 crores.

The consolidated performance also reflects the strength of our operating business and the improvement in profitability during the period.

Now, coming to segment reporting. On a standalone basis, our business is organized around two reportable segments: Manufacturing and contracts. In the first half of FY27, Manufacturing revenue was 49.20 crores, while Contract revenue was 24.01 crores. Manufacturing contributed a much larger share of our revenue and reported a segment margin of 27.4%, while the contract segment reported a margin of 13.1%.

The consolidated segment picture is broadly consistent with the standalone view. Manufacturing revenue for the first half of FY27 was 51.45 crores, while contract

revenue was 24.01 crores. The manufacturing segment reported a margin of 27.8%, whereas the contract segment reported a margin of 13.1%. As in the previous slide, the comparison is between the first half of FY27 and the full year of FY26 rather than between two equivalent six-month periods.

Moving on to the standalone P&L statement. Revenue was 73.21 crores, EBITDA was 15.60 crores, and PAT was 7.55 crores. Finance cost for the period was 4.79 crores. The detailed statement, as you can all see, allows everybody to see how revenue has converted into operating earnings.

Moving on to the consolidated P&L. Revenue for the first half of the current financial year was 75.46 crores. EBITDA stood at 16.28 crores, and tax was, PAT was 8.03 crores. The finance cost was 4.88 crores. These figures reflect the consolidated performance for the period and the complement and compliment the standalone results presented in the previous slide.

Ms. Devisha: So, as you are all aware, we have Mr. S.K. Verma as our managing director and Mrs. Renu Verma as our non-executive director. Mr. Sanjai Vishwakarma and Ms. Savita Sachdeva are also our non-executive directors. Mr. Rahul Verma is a whole-time director, and he is the head of our R&D department.

Moving on. As Mr. Verma has already explained, we have three business verticals. One is the contract division, which executes 25 kV AC OHE electrification projects; the rotating machines division, which produces alternators, traction motors, permanent magnet alternators and our electronics division, which manufactures electronic systems such as regulated battery chargers, inverters, emergency lights, and

vigilance control devices.

As of September 30, 2026, our company is backed by a very healthy order book of 231.05 crores, and we are well positioned for sustained growth and revenue visibility.

In our electronics division product portfolio, we have electronic regulating rectifying units in 4.5 kW and 25 kW ratings, vigilance control devices, and regulated battery chargers with ratings of 6.5 kW and 4.5 kW Revision 1. We have upgraded our regulated battery charger to Revision 2 and we have healthy orders for the latest version of our regulated battery charger. We also have GPS-based passenger announcements and public information systems and emergency lighting units.

In rotating machines, we manufacture a range of equipment that includes auxiliary motors, 4.5 kW and 25 kW brushless alternators for AC coaches, traction motors, and a broad range of traction motor coils. Our coil portfolio also includes armature coils, main field coils, commutating pole coils, and other specified coils for different railway motor platforms.

In the contract division, we undertake railway electrification projects across the project lifecycle. Our work begins with detailed engineering design, including technical layouts, drawings, and specifications aligned with Indian Railway standards. This is followed by procurement and supply chain management, where timely sourcing of approved material is very critical.

The execution phase includes erection of 25 kV AC overhead equipment, with a strong emphasis on safety, quality, and railway protocols. Once the project is commissioned, an external testing agency comes in

and approves it and, upon successful testing, the project is commissioned and handed over to the railways for operation.

These are a few pictures of our manufacturing unit, which is based in Haridwar, and we are an ISO 9001:2015-compliant company. We are an RDSO-approved vendor, and we have to ensure that our products meet the specifications and comply with Indian Railway standards.

We have a multi-stage inspection process across all stages. This includes inspection when we procure our raw materials, at the various stages of manufacturing, and final testing, where an external agency comes and tests our products. Upon successful testing, the product is supplied to Indian Railways.

To ensure that the quality meets the specified standards, we have specialized testing setups for electrical, mechanical, and electronic systems. Our focus is on reliability and safety.

This is a list of the top 10 completed projects under the contract division. The total value of these projects is 213 crores, and the total number of projects that IC Electricals Company Ltd. has completed under the contract division is 18.

Moving on, we have ongoing projects. These are the ongoing projects that IC Electricals Company Ltd. is currently working on and recently we have received two new orders also under the contract division. As we all know, the Indian locomotive industry presents a very meaningful opportunity through the ongoing modernization of Indian Railways. Indian Railways plans to introduce advanced electric locomotives, including 12,000-horsepower and 9,000-horsepower

platforms for freight operations.

Modernization initiatives are intended to improve passenger safety, passenger experience, operational efficiency, and environmental sustainability. Indian Railways has a rolling stock budget allocation of approximately 54,000 crores for the current financial year and an anticipated investment of more than 3 lakh crores over the next 7-8 years for the transition from conventional 1x25 kV to advanced 2x25 kV traction systems.

As the railway network expands and upgrades rolling stock and electrification infrastructure, we are bound to be a part of the railway's growth and receive better orders. We have good opportunities for IC Electricals Company Ltd.'s expansion.

Our strategy going forward is built around four priorities. First, we intend to strengthen the contract division by participating in railway modernization, network expansion, and speed-enhancement electrification opportunities.

Second, we are focused on working, sorry, we are focused on enhancing our working capital efficiency. Stronger working capital levels are important to ensure uninterrupted project execution and support growth.

Third, we are investing in product innovation. As Mr. Verma has already mentioned, our team recently visited Korea for a partnership, and our R&D team has also been moved to Delhi to enhance this.

Fourth, we aim to strengthen our export division, that is, the rotating machines division. Currently, our markets include North America and Africa, and we intend to explore new markets.

This is the investment rationale. We believe IC Electricals Company Ltd. offers its investors a combination of sector exposure, product capability, and project execution experience. We operate across railway electronics, rotating machines, and turnkey electrification projects.

The track record of our OHE projects demonstrates our ability to execute complex assignments. Our three business verticals provide a mix of product-based and service-based revenue streams.

Our business-to-government model gives us exposure to the long-term requirements of Indian Railways and different departments, while our R&D capability supports product development and adaptation to changing technical requirements. The company is also supported by an experienced leadership team and manufacturing infrastructure with production and testing capabilities.

This is the historical financial and operating highlight. It presents our current performance in the context of the company's historical financial and operating profile. Our revenue has increased from 99.24 crores in FY24 to 143.04 crores in FY26. It also demonstrates the revenue contribution by business verticals, the split between government and non-government customers, and domestic versus export sales.

In FY26, government customers represented approximately 82.01% of our revenue, while exports represented 3.56%.

Ms. Devisha: Moving on to the key ratios. The return on equity has increased from 15.79% in FY24 to 24.88% in FY26. The return on capital employed improved from 15.25%

to 18.47% over the same period. The debt-to-equity ratio was 1.45 times in FY24, and it has improved to 1.19 times in FY26.

The debt service coverage ratio improved from 1.37 times to 1.85 times. The current ratio increased from 1.23 times in FY24 to 1.46 times in FY26, while the receivables turnover ratio improved from 3.22 times to 4.53 times.

Earnings per share have increased from 3.92 to 10.49 in FY26. The net asset value per share is shown from 80.14 to 47.40 in FY26 respectively.

To conclude, the first half of FY27 has been a strong period for IC Electricals Company Ltd., with healthy revenue growth and a meaningful improvement in operating margins and profitability. We continue to build on our presence across railway electronics, rotating machines, and electrification contracts.

Our order book, manufacturing capabilities, quality systems, and experienced team provide a good platform from which we intend to pursue opportunities emerging from railway modernization. Thank you.

Moderator: Thank you, management. We will now open the floor for questions. I request participants to limit themselves to two questions each. We will wait until the question queue assembles.

Participants can raise their hands.

The first question is from the line of Mr. Surya Nayak, an individual investor. Mr. Surya, kindly unmute yourself and proceed with your question.

Mr. Surya Nayak: Thank you for the opportunity. Congratulations on a good set of numbers. I just missed the component of the 231-crore order book. Is it in the proportion of 68% to 32% in the first half? I would like the bifurcation of the order book.

Mr. Sunil Kumar Verma: The bifurcation of the order book is 91 crores is the product division and 140 crores is the contract division. This is the balance order to be executed as of November 30 sorry, September 30.

Mr. Surya Nayak: September 30. So, does that mean you are saying it will be completed next year?

Mr. Sunil Kumar Verma: No, this is September 30, 2026. We have an outstanding order book of 231 crores, of which 91 crores is from the product division and 140 crores is from the contract division.

Mr. Surya Kumar Nayak: What is the executable timeline for the 140 crores of the contract portion?

Mr. Sunil Kumar Verma: It is from 6 months to 1.5 years.

Mr. Surya Nayak: Six months to 1.5 years. Just now, your projection of 200 crores for FY27 suggests that you will be ending with a closing order book of 106 crores with the current book. What kind of order inflow are you expecting, or what is the bid pipeline?

Mr. Sunil We expect to close our financial year with a pending

Kumar Verma:	order book of more than 200 crores.
Mr. Surya Nayak:	More than 200 crores. So, are you going to get another 100 crores going forward?
Mr. Sunil Kumar Verma:	Yes, in the next 4-5 months, we expect more than 100 crores of order book.
Mr. Surya Nayak:	Will it be sufficient to take care of growth at a CAGR of close to 30%, if you see? What is the guidance for next year?
Mr. Sunil Kumar Verma:	Next year's guidance is around 270 crores of top-line revenue.
Mr. Surya Nayak:	270 crores. So, that will result in close to 35% growth, right, sir?
Mr. Sunil Kumar Verma:	Yes.
Mr. Surya Nayak:	Will 200 crores of order book be sufficient to take care of 30% - 35% growth in FY28?
Mr. Sunil Kumar Verma:	We closed March 31, 25 with an order book of 120 crores. For FY26, on March 26, we achieved a turnover of 143 crores, and at that time the order book was 170 crores. Today, we are targeting 200 crores, and the pending order book on March 27 will be more than 200

crores. Each time, we are closing our year with a better order book and better execution.

Mr. Surya Nayak: My second question is that if we look at the capital employed in both verticals, in the contract business we are getting less than one time the revenue, whereas in the product segment we are getting better rates of close to 1.2 times. I want to understand why the contract business is so asset-heavy that we are unable to generate turnover similar to or higher than, the product business, because the margin profile of the contract business is half that of the manufacturing business right, sir?

Mr. Sunil Kumar Verma: Sir, let me answer. The contract business will pick up in the next 5 months because the first half is a difficult time for the contract division to perform. The contract division has to work in the field, and April, May, June, July, and August are not conducive months for performance. A lot of time is wasted in hot weather, and 2 months are lost due to the rainy season. Now is the perfect time, and the project division will overtake the manufacturing division in the next 6 months.

Mr. Surya Nayak: I agree, sir, that the first half is slightly weaker. However, if you look at FY26, with capital employed of 75 crores in the contract division, we generated only 59 crores of revenue, whereas with capital employed of 70 crores in the manufacturing business, we generated 1.2 times the revenue. Even after taking care of all the seasonality issues that you are pointing out, for the full year I would have expected you to generate higher revenue than that. If you want to improve your RoCE, then obviously you need to generate higher turnover from the capital employed in the contract division, at least two times, because only then would it match the

manufacturing business.

Mr. Sunil Kumar Verma: Yes, we are doing that. Going forward, this EPC business will also support our product division because we are introducing backward integration and new products will come and support our EPC business. Our EPC business will also grow, and the product division will also grow with the support of the EPC business.

Mr. Surya Nayak: The capital employed that you have at the moment is around 97 crores in the contract business. Should we understand that this is peak capital employed and that you will not invest in the contract business anymore?

Mr. Sunil Kumar Verma: No, this is peak capital employed because we have built up inventory ahead of our busy schedule so that contract execution is not delayed due to a shortage of inventory. Inventory will now start reducing going forward.

Mr. Surya Nayak: And secondly, on the core new product development, you said that you had visited and Korean people had visited your facilities. What kind of products are in the offing going forward?

Mr. Sunil Kumar Verma: Exact detail I can't give at this moment because we are in the process of discussions and signing. I am not asking them. Once NDAs are signed then we can disclose the name of the company. But for these, they are related to electronics business and rotating machine and contract division.

Mr. Surya Nayak: Contract Division also?

Mr. Sunil Kumar Verma: Yes. We are going to introduce advanced technology in the EPC business, which is required to meet the high-speed ambitions of Indian Railways. Advanced overhead transmission systems cannot operate at speeds of 180 kmph or 200 kmph, which Indian Railways is aiming for.

Mr. Surya Nayak: I want to understand this because railway electrification work is more or less complete across the country. It is close to 90% or more. In that case, what kind of EPC work are you undertaking?

Mr. Sunil Kumar Verma: 90% is done. The remaining 10% is also a huge business. Second, as we have already mentioned in our presentation, Indian Railways is augmenting resources for better utilization of track capacity. Indian Railways is augmenting and converting its OHE system from 1x25 kV to 2x25 kV. This means that they are doubling the capacity of the overhead transmission system.

For that, they need to overhaul the complete 90% of electrification that has already been done. They need substations and SSPs, and then they have to upgrade their overhead transmission system as well, for which advanced OHE equipment is required.

For this, we are now in discussions with Korean vendors. Those companies are already working at speeds of more than 200 kmph. Korean normal trains run at 180-200 kmph, and they have high-speed trains that run at more than 300 kmph.

Mr. Surya Nayak: So, you are basically working on the modernization of the electrification area, where higher train speeds are

required. That is what I understand.

Mr. Sunil Kumar Verma: It is not high speed. It is both. At the moment, they are running two trains. Each electrification system is divided into four different zones of around 440 kilometers. At present, only two trains can run in a 40-kilometer range. If they upgrade it so that four trains can run at a time in this range, in this block, we are augmenting that capacity. On the same track, they would be able to run double the capacity.

Moderator: I am extremely sorry, Surya sir, and sorry to interrupt you

Mr. Sunil Kumar Verma: At present, there is a requirement for huge investment in laying a track. But if you can run more trains on the same track, it is less capital-intensive. So, the government is doing that.

Mr. Surya Nayak: I will join later in the queue. Thank you.

Moderator: Thank you, Surya. I request all participants to kindly limit themselves to two questions so that other participants can get a chance.

The next question is from the line of Mr. Vignesh Iyer from Sequent Investments. Vignesh, kindly unmute yourself and proceed with your question.

Mr. Vignesh Iyer: Am I audible?

Mr. Sunil Yes.

Kumar Verma:

Mr. Vignesh Iyer: I wanted to understand, firstly, what is our bid book right now? Secondly, in either of the segments where we get an order allotted, in terms of the contract that we bid for as part of the tender, what is the usual timeline for executing the order that we have received? What is the general timeline in each of the segments?

Mr. Sunil Kumar Verma: First, let me elaborate on the product division. In the product division, we get contracts with executable timelines varying from 3 months to 1 year. Three months is the shorter period for smaller contracts, and 1 year is for long-term contracts in which the Railway gives us different delivery schedules. In the contract division, this varies from 1 year to 1.5 to 2 years of delivery time, depending upon the site conditions and the requirements of the Railway.

Mr. Vignesh Iyer: What is our bid book right now, and what has been our historical win rate?

Mr. Sunil Kumar Verma: At the moment, as of date, the pending bid book is more than 250 crores. Historically, it is around 30-35%.

Mr. Vignesh Iyer: If we look at how tenders have been allocated by the Railways this year, it has not been that large, right? Are we expecting a huge amount of tenders to come in Q3 and Q4, considering the budget allocation last year?

Mr. Sunil Kumar Tenders are coming, but we are bidding according to our financial capability. We are not bidding for all the

Verma: tenders. Taking a tender and then getting it but not having the finance to service it is a very difficult situation. It could become a difficult situation. So, we are bidding according to our financial capabilities.

Mr. Vignesh Iyer: That is all from my side. Thank you

Moderator: Thank you, Vignesh. The next question is from the line of Mr. Varun Sanghvi of Arthsanchay Growth Fund.

Mr. Varun, kindly unmute yourself and proceed with your question.

Mr. Varun Sanghvi: Thank you for the opportunity. Congratulations on a great set of numbers. I have questions on the two verticals that we have, one being contracts and the other being manufacturing. What is the nature of working capital across these two segments? I want to understand this.

Mr. Sunil Kumar Verma: I could not get your question. Could you please repeat it?

Mr. Varun Sanghvi: I want to understand what the working capital days look like across the contract division versus the manufacturing division.

Mr. Sunil Kumar Verma: In the product division, it is around 90-120 days, and in the contract division, it is 120-150 days.

Mr. Varun Sanghvi: While billing contract revenue, how do we do it? Do we do it at the end of completion of the contract, or is it a milestone payment?

Mr. Sunil Kumar Verma: It is on a milestone basis.

Mr. Varun Sanghvi: Would you mind sharing whether it is based on the completion of the project or whether it is within the stipulated time?

Mr. Sunil Kumar Verma: No, it is done section-wise. They divide it into sections. If, for example, we complete Section A, we bill for that. When we complete Section B, it is billed for that. Later, we receive the final payment once the project is completed and the closure certificate is issued by the Railway.

Mr. Varun Sanghvi: So, the 120 to 180 days that you are referring to are post-milestone.

Mr. Sunil Kumar Verma: Yes, yes, based on that. Based on that

Mr. Varun Sanghvi: How does demand generation look on the manufacturing side? I understand that we make rolling stock as well as boards for controlling electricals.

Mr. Sunil Kumar Verma: Growth on the product side is very strong for our products, specifically for new rolling stock as well as the replacement market. As we mentioned in an earlier

conversation, we introduced and improved our battery charger to Version 2. The demand for that is strong. Recently, we have upgraded our vigilance control device to operate at 24 volts. This has given us visibility, and we have a healthy order book for this product. Likewise, we are improving different products to gain a major share. Now, we are one of only two companies for vigilance control devices that can operate at 24 volts. This is the benefit of our in-house R&D: we respond to customer requirements very quickly.

Mr. Varun Sanghvi: I have one last question. I am trying to understand how demand is generated. Is there a specific tender or RFQ's that comes from tender?

Mr. Sunil Kumar Verma: The railway is tender-based. Demand is generated by our technical selling team. As I just said regarding Version 2, our technical team first approaches the customer and convinces them that these features need to be added to the product. Once the customer is convinced, it goes to R&D for development. Once development is done, testing is done and then we get approval, and that is how demand is generated by the Railway. The Railway has two types of demand for products. One is for its production units, which is generated through a production schedule for all locomotive and coach products for the next 3 years. That demand is certain. Then there is replacement demand because, after 5 - 6 years, the materials we supply become defective. The zonal railways procure fresh products to replenish the old stock. This is how it works, but everything is done on a tender basis. There is no other procedure.

Mr. Satish Hello. Can you hear me?

Gupta:

Mr. Sunil Kumar Verma: Yes.

Mr. Satish Gupta: I am Satish Gupta, an investor. Why is cash flow conversion very low?

Mr. Sunil Kumar Verma: Cash flow conversion is low in the first half because our execution remains low in the first half due to seasonality. For the Railway, April, May, June, and July are the best months for its business. So, it tries to procure or augment its resources in January, February, and March. In the first half of the financial year, during April, May, and June, the Railway is busier running its rolling stock to serve its customers rather than focusing on procurement or contract execution. It runs festival trains, so the availability of tracks remains very low for us to execute our projects. That is why the first half remains seasonally low, and execution is faster in the second half for both products and contracts. In the second half, the utilization of working capital is much better. Likewise, while the Railway purchases extra inventory in January, February, and March, we purchase extra inventory in July, August, and September so that from September onwards we can execute our contracts and products at a faster rate.

Mr. Satish Gupta: What is driving the EBITDA margin? Is it higher-value products or operating leverage?

Mr. Sunil Kumar Verma: Both. I had already projected that this battery charger revision would accelerate our bottom line and top line. Now, another product we have developed is a vigilance

control device that operates at 24 volts. This will provide traction in the coming months. In addition, other products are also contributing because we have taken a price revision, and they are also contributing to the top line of manufacturing. In the contract division also, we have improved our margins, and going forward we expect our margin in the contract division to increase from 13% to 15%. This will also add to the top line and bottom line of the company.

Mr. Satish Gupta: Thank you, sir

Moderator: The next question will be from the line of Mr. Jignesh V of Veedharth Investments.

Mr. Jignesh, kindly unmute yourself and proceed with your question.

Mr. Jignesh V: Since in the past question you said that we are not taking many contracts beyond our financial ability, I wanted to understand your vision for the next 3-5 years. Since we are now a listed company, we have bank lines and can also raise equity from time to time. There is huge demand in the railways, so how do we plan to move ahead, especially in both products and the contract division, and perhaps improve our CAGR in the coming years?

Mr. Sunil Kumar Verma: We are focused on taking orders where our margins are better. Bidding and getting an order without a profit is not my theory. We are bidding, but we are keeping our margin intact. By keeping our margin intact, I can book orders of 500 - 600 crores, but I must have the capability and capacity to execute them. This cannot

be done overnight simply because I am listed. After having the money, I have to build my organization to cater to a turnover of 500 - 600 crores. This will be done gradually, and that is why we have projected growth of more than 30% for the next 5 - 6 years. To grow more than that, I must strengthen my manpower structure as well, which cannot be done overnight.

Mr. Jignesh V: Gradually, I think you plan to strengthen the manpower base to take a bigger order.

Mr. Sunil Kumar Verma: Yes.

Mr. Jignesh V: In our product division, as you mentioned, a few products have started increasing your margins. How many new products are we working on that could come on board in the next 2 - 3 years and further improve margins? Or will margins remain at a similar level?

Mr. Sunil Kumar Verma: We are working on very high-tech products, and shortly we will announce those products. I forgot to mention the export division. We have seen good traction in that. Last year, exports contributed around 3.8% of our turnover revenue. This year, I expect exports to contribute 7.5% - 10% of our revenue. This is 3-4 times growth that we foresee, and we expect this growth to continue in the future as well.

Mr. Jignesh V: In terms of exports, which markets are you looking at, and what type of competitors are you competing against to win these orders?

Mr. Sunil Kumar Verma: We are catering to the United States, Canada, Brazil, Mexico, and African countries, where we compete with overseas vendors. Their manufacturing cost is very high compared with ours because most of these products are handmade. Wherever handmade products are involved, the Indian cost is 1/10th of that of foreign vendors. Foreign vendors value our quality, and we have had no quality issues for 5 - 6 years. We are now receiving more orders based on our quality

Mr. Jignesh V: Thank you, sir, and I wish you all the best.

Mr. Sunil Kumar Verma: Thank you, sir.

Moderator: That will be the last question for the day. I would now request the management to kindly proceed with any closing remarks.

Mr. Sunil Kumar Verma: Thank you for joining us in this meeting. I thank my shareholders for entrusting their faith in our company, and I promise that the company will deliver more than what it promised in the IPO. We are on that path. I thank everybody for joining us. Thank you very much.

Moderator: Thank you.

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