21st November 2026

To,
The Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Samachar Marg,
Mumbai - 400001, India

Ref.-BSE SCRIP CODE- 544981, SYMBOL- ACMERAIL

Sub: Transcript of Investor's Conference Call of the Company for H1 FY27 Financial Results

Dear Sir/Madam,

Please find enclosed transcript of the H1 FY27 Earnings Call held on Wednesday, November 18, 2026, in respect of the Unaudited Financial Results (Standalone and Consolidated) of the Company for the half year ended September 30, 2026.

The above information is also being uploaded on the of the Company at https://acmeindia.co.

We request you to kindly take the same on record.

For and on behalf
of ACME India Industries Limited

SURAJ PANDEY
Digitally signed by SURAJ PANDEY
Date: 2026.11.21 17:35:25 +05'30'

Suraj Pandey
Managing Director & CEO
DIN: 03062371

"ACME India Industries Limited
H1 FY27 Earnings Conference Call"

November 18, 2026

CORPORATE PARTICIPANTS

D.K Agrawal, Chairman - ACME India Industries Limited
Suraj Pandey, Managing Director and CEO - ACME India Industries Limited
Rajneesh (Rajen) Dutta, President of Finance & Strategy - ACME India Industries Limited
Soumik Chatterjee, Manager, Investor Relations - Kirin Advisors

PRESENTATION

Moderator

Ladies and gentlemen, good day, and welcome to the Acme India Industries Limited H1 FY27 Earnings Conference Call hosted by Kirin Advisors.

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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Soumik Chatterjee from Kirin Advisors. Thank you, and over to you, sir.

Soumik Chatterjee, Kirin Advisors

Thank you. Good afternoon, everyone, and welcome to the H1 FY27 conference call of Acme India Industries Limited. This is the company's first earnings call since its listing on the BSE SME platform.

Before we begin, a short disclaimer. Some statements made today are forward-looking. They are based on management's current expectations and involve risks and uncertainties. Actual results may differ materially. The company does not undertake to update these statements publicly.

Please review this discussion together with results and investor presentation filed in the stock exchange. From the management team, we have Mr. D.K Agrawal, Chairman; Mr. Suraj Pandey, Managing Director; and Mr. Rajen Dutta, President of Finance and Strategy.

I now hand over the call to Mr. D.K Agrawal, Chairman for his opening remarks. Thank you, and over to you, sir.

D.K Agrawal: Chairman - ACME India Industries Limited

Thank you. Good afternoon, everyone, and a very warm welcome to the first earning call of Acme India Industries as a listed company.

Let me begin by thanking all our investors. Your trust in our IPO means a great deal to us. Being a listed company brings a new responsibility to communicate with you openly, regularly, and honestly. Today's call is the first step in that journey.

I have spent close to four decades of my career working with Indian Railways since 1982 onwards, having worked in a production unit where new coaches are built, to the workshop where coaches are maintained, to the operations where coaches are run, to RDSO where coaches are designed, and even in inspection units.

My last posting was at Modern Coach Factory in Kapurthala. So, I have watched the Indian Railways change from inside. For many years, the railways delivered a basic service suited to a developing country with limited resources. That was the need of the time.

Today, passenger expectations have changed. People expect the same comfort, cleanliness, and safety on a train that they expect at an airport or in a good hotel. The Government of India and Indian Railways are responding to this with a great commitment, and this is where Acme comes in.

Acme was started in 2012 by our Managing Director, Mr. Suraj Pandey, who is a First-Generation Entrepreneur. The company began with a simple idea: solve a real problem for the passenger and move ahead. One of our very first products was braille signages in coaches for Divyangjan passengers.

Later on, seeing how difficult train toilets were, especially for women travelers, the company developed a prototype of an improved coach toilet for the railways. That spirit still guides us. Our mission is very simple: to make every rail journey in India more comfortable, safer, and more sustainable. Our Managing Director will shortly explain how we deliver on this mission every day through our four pillars.

Our strategy is to be a complete lifecycle partner to the Indian Railways, not just a supplier of parts. Our work begins the moment a passenger steps into a coach. We furnish new coaches, enhance and upgrade coaches in service, refurbish coaches at mid-life, and support repair and maintenance as well.

Today, we offer more than 50 products from seats and berths to flooring, to panels, to partitions, doors, and many more in fact, almost everything you see inside a coach when you are traveling. I just want to be clear about one thing. Acme is one part of a much larger national effort, and the credit for transforming the railways belongs first to the Government of India and to Indian Railways.

Our role is to be a reliable and quality-focused partner in that effort. Our business is also a long cycle. Railway work is awarded through tenders and executed over two to three years' time. Historically, most of our revenue comes in the second half of the year. So, I will humbly request you to look at Acme over years, not over a single half.

With that, I hand over to our Managing Director, Mr. Suraj Pandey, to take you through the industry, our performance, and our growth areas. Thank you very much.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Good afternoon, everyone and thank you, Chairman sir, and thank you all my investors, shareholders, and guests for joining this call to witness this increasingly valued business of Indian Railways.

I understand that most of the guests are well aware about Acme's business, but just for the sake of everyone being on the same platform, Acme's primary business is related to train interiors, refurbishment, mid-life rehabilitation, component supplies, and repair and maintenance of passenger and wagon coaches.

In the railways, Acme is quite a unique company. A couple of things I would like to highlight. Acme means something on its highest. Acme's, you know, real meaning is something on its highest. And Acme's business is also a top-of-the-pyramid business in the railways ecosystem. If you just see the top of the pyramid, you will see the pyramid of Indian Railways, you will find civil, you will find infra, you will find stations, you will find tracks, you will find other facilities.

But when the first thing comes when you, when you hear railways, the first thing that comes to your mind is train and maybe station. So, we are on top of the pyramid, we are operating on the top of the pyramid in the railways ecosystem. When I say top of the pyramid and when I want to connect that with Acme's business, Acme's business is directly connected with the railway's reputation.

The reputation of being the 4th largest rail network in the world, having ₹19 crores passengers every year. This reputation is directly associated with revenue, and you all know how big the railway is, and this revenue is directly contributing to the country's economy.

Allow me to read my key messages loud today. Acme, first one is, Acme is operating in a very large and scalable market opportunity. Acme is extremely relevant at every stage of railway coaches. Second, we have the credential to scale, which is very important in the railways. And we are building a business that gets stronger every year.

I am going to take you journey of Acme business by highlighting five points. And I am going to cover -- this you can consider it an index of what I am going to speak about. The first is the market size. The second is Acme's relevance in this market and in this entire ecosystem. The third is credential for scaling. The fourth is six engines for growth, the drivers basically. The fifth is performance and visibility. And the sixth is our commitment.

Market Size

So, I will start with the market size. As you all are aware, the railways has a record capex of nearly ₹3 lakhs crores, to be more precise, ₹2.93 lakhs crores this year. Indian Railways runs more than 100,000 passenger coaches and is increasing its production by nearly 7% CAGR every year.

Nearly 7,000 coaches, slightly more than 7,000 coaches, are being added to this network every year. Vande Bharat has already, as Chairman sir has already spoke about it, that Vande Bharat has already increased passenger expectations, and the Government of India, Ministry of Railway, has already prepared to fulfill this and recently announced to upgrade its existing 40,000 coaches at par with Vande Bharat quality.

I will further emphasize that this is not merely an announcement or a, you know, a political statement. But at this moment, when I am talking to you, the scope of work and budget is already distributed by the Railway Board to zonal railways to implement this upgradation of 40,000 coaches at par with Vande Bharat standards.

Just by this, the addressable market in coach furnishing -- I mean, when we say coach furnishing, that term is used for the new coach. So, when we say coach furnishing, that means new coach. So, the addressable market today in coach furnishing, new coach, refurbishment -- which is the existing coach to be refurbished and maintenance is over ₹32,000 crores every year.

And you see, our financial year 2026 revenue was just ₹264 crores, less than 1% of it. So, I want to tell you here that we are not limited by demand, but only by our capacity to execute, and that is what we are building. We are building every day. We are adding new products, new services, and trying to grab as much as we can.

And that is the reason I say that this market is far bigger than us. We are just a small fish in this entire ocean, and we have super sufficient space to occupy. So, that is about market size.

Ecosystem

The second thing is relevance across the entire ecosystem. I mean, how Acme is relevant into this entire ecosystem, how we are going to get the business.

Acme is a one-stop solution. Acme is involved in designing, manufacturing, furnishing of new coaches, modernization of toilets, refurbishment of existing coaches, mid-life rehabilitation, and maintenance of the coaches and the services.

We are, so, so we are available in the entire ecosystem of trains. So, trains, when the new train is getting manufactured, and then upgradation, modernization, you know, refurbishment, or mid-life rehabilitation. So, a train's life is usually around 30 years. And within the life of 30 years, there is a mid-life rehabilitation at the 15-year mark for a coach.

And mid-life rehabilitation means that everything is removed and replaced with new advanced materials. So, our presence in all 3 coach production units and 16 railway zones, and all, all the mid-life rehabilitation units within the Indian Railways is a significant indicator that we are a one-stop solution.

This gives us a 360-degree view of the coach and presence at both ends of a train journey. I mean, I don't know how -- how you will take it, but I humbly want to submit this that this credential is not available with any other regional player at this moment in the Indian Railway system.

So, we are quite unique. The most unique part of Acme is that it is not limited to just one work of either design or prototype or manufacturing or you know, just supply or just installation. Most of the players in the market are limited to a couple of activities, and not all the activities. So, we are quite, we have placed our company in such a way that we are quite unique in this entire system.

Scale of Acme

Again, the question comes that, what is our credential? How we can scale? Yes, government has spending power. Government is committed to provide all this facility to people. But how we are getting our relevance? So, I'll tell you. I mean, just for this August forum, this is very important to mention here that scale we have already proven.

We have touched around 15,000 plus coaches at this moment. About 2,500 new coaches we have furnished. About 2,000 coaches we have refurbished. About 11,400 toilet units we have already modernized. And we are touching almost 28 variants of the coaches. 28 different types of coaches we have touched so far.

We are holding a market leadership position at this moment, and just to make more momentum on that, more than 10,000 coaches awarded so far under toilet modernization. Out of that, Acme has won 6,300, almost

63% share, and this is in an open and competitive tender system. Everything is online. So, that shows that how big credentials we have at this moment.

Approvals that take years to build within the railway systems. We are already approved for a lot of products. We are -- our products are approved. We are already associated with a couple of Navratna PSUs of the Indian Railways for various activities. We have done our audit with the TUV Germany ISO 9001 certifications. And so on.

And as DK Sir has already mentioned that we have already developed multiple components for the railway interior per se, specifically. And the totaling is more than 50 different components at this moment. So, these kinds of approvals take many years to get. You create a facility, you create certification, you create prototype, you go for the testing, trials, and then the situation comes. So, we are holding that position at this moment within this ecosystem.

Then furthermore, the cherry on the cake is exclusive global partners. So, we, within this last four, five years of our forecasted business we have got tied up with a company from -- a Korean company, American company, Russian company, German company, and a couple of Indian companies as well.

And these companies are bringing world-class technology, and we bring approvals and Pan-India execution, and that is how jointly we are going ahead, improvising the technological advancement, improvising the interior, improvising the safety, and we are sharing our shoulder with Indian Railways for bringing the best experience and best and safe train travels for the passengers.

Then again, if you see all these approvals, all this technological try-out, how this is helping us at this moment. New coach furnishing was 58% of revenue in 2024. Supplies was 60% in financial year 2026. And toilet modernization is 60% this half. So, we move with where the railway spends.

So, wherever railway spending is getting high, because we have sufficient credentials in that particular orbit, we are just moving to that particular orbit for getting bigger business, profitable business, and, but we are not leaving the existing one; we are also working on that.

The fourth point, where I want to talk about the growth engine, the sixth engine. I have mentioned six engines, that is what our statement within our company, and we follow it within our team, in our conference rooms.

Six engines for the years ahead

So, the company has an addressable opportunity of ₹16,000 plus crores across its existing business where we have sufficient credentials. With an additional, immediate opportunity of ₹30,000 plus crores in the new segment. So, it aims to secure and out of this ₹16,000 plus crores of addressable market, and with the immediate future of ₹30,000 crores addressable market, how much we are aiming? We are aiming just ₹1,200 crores to ₹1,500 crores new order over the next 12-15 months.

So anyway, our expectation is less than 10% of the market share, where I have just shown you that we have got 63% market share in a couple of the segments. So, our expectation is pretty low at this moment here, because business is not a problem here. So, I would -- the six different growth engine drivers -- the first is toilet modernization.

Toilet Modernization

So, about 15,000 coaches still to be tendered. So, out of 25,000 coach budget distribution, 10,000 has already been tendered. Out of that, we have received 6,300 orders at this moment in hand. Till this data is till September, I believe. A little more at this moment maybe, but balance 15,000 coaches are still to be tendered over the next 12 months. 15,000 coaches means ₹1,500 crores, over the next 12 months. So, that is about toilet modernization.

Refurbishment

Refurbishment, you see the refurbishment, LHB production rose from 540 coaches in year 2014 to over 7,000 in year 2025. So, within 10 years, 540 becomes 7,000. This reached 12-year mid-life rehabilitation, and that's a decade-long opportunity. And all this covers what is within the numbers I have just spoken about, ₹30,000 crores and ₹16,000 crores plus.

New coach furnishing

New coach furnishing, you all know, Vande Bharat, Vande Bharat Sleeper, Amrit Bharat, is again top of the pyramid. But within the train ecosystem, there are different other LHB coaches which are always getting largest

number in terms of the new coach furnishing. Out of that 17,000 coaches of non-air-condition variant has to be done within the next four, five years time. I mean that is what has been declared in the budget.

Supplies

Supplies, you see, our supplies, because of the new approvals in the last couple of years, maybe last just one and two years, grew from ₹35 crores to almost ₹160 crores in two years. After our approvals from Coach Factory, from RDSO, and from other places. And the next market is private rolling stock makers like other companies let's say Titagarh, let's say some more other companies like, RVNL is entering into that and BHEL, BEML, so those are also -- these companies are also going to make trains and of course, as a railway ecosystem is alway emphasizing and it's a mandate to buy from the approved supplier only. So, they have to buy products from the approved suppliers only, and we'll also get our own shares.

Repair and Maintenance

Then the fourth growth engine is repair and maintenance, which we are not talking loud at this moment because we have just entered into the segment but this is ₹24,000 plus crores yearly. And we have just entered in the market with ₹32 crores of the first order. So, penetration was very important. We entered with ₹32 crores orders. But as we know that we are going to make it big. And this is going to be a long-term opportunities like operation and maintenance kind of opportunity for 10 years, 15 years, 12 years, 5 years as a different in the different segments.

Technological Advancement

And then the most important one, which is still evolving within Acme's ecosystem, but railway is fully ready to implement all the technological advancement within the railway ecosystem. So, Acme with several global tie-ups is already bringing several technological modernization in different old and new coaches, including but not limited to fire suppression system, video surveillance system, Passenger Address And Passenger Information System called PAPIS, lightweight and fire-safe composite at very cost-effective, sustainable, and user-friendly basis.

So, this is all about the six engines for the growth, they are drivers. We have sufficient space. Market is available, business is available, government is ready to spend, and we are also getting ready for taking this order and execution at the faster pace.

Performance and Visibility

Now, the biggest thing comes here, performance and visibility. So, I have been told that it is always into the interest of investor that what performance you have done at this moment, how you are going to do it again, and what is the visibility for next coming years. Though, I have mentioned the market size and though I have already mentioned that how we are growing, but still, I want to emphasize at this moment. We are quite happy to see that from year '24 to year '26 revenue grew from ₹213 crores to ₹264 crores.

EBITDA margin improved from 14.1% to 16.2%, and net worth also grew 2.9 times at this moment. In H1 financial year 2027, revenue actually tripled to ₹73.56 crores. If you compare with the last year H1 or last-to-last year H1, you will find the big difference. I will explain it that, too. As every year, the first half carries the full half of fixed cost on low billing, so it shows a small loss as well with, if you see the balance sheet, because most of the billing is done in the second half.

But the first half, you have some fixed cost, say, office, factory, rent, salaries so on. So, that shows a little loss in the current financial year. We expect a stronger H2 revenue and that has been the trend of past years as well, wherein we had H1 sales to the tune of somewhere in between 10% to 24% and balance is always into H2. This year, we are sitting on a good order of ₹727 crores, which is about 2.8 times of financial year 2026 revenue.

We are confident to achieve ₹310 crores to ₹325 crores, approximately, in H2, which is well diversified across various zones and various segment business, because we have orders. We are guiding to financial year 2027 revenue to ₹380 crores, which is about 44% growth from last year. Additionally, with IPO funds, cutting our debt, and the second half carrying most of the billing, we expect a much stronger profitable H2. I have reached to my last statement which is about the commitment.

Our Commitment

So, as you have seen that market is growing. We are prepared. Our approvals are with us. We have sufficient credentials. So now, we have much more formed commitment, and definitely there is that IPO money into the

system. Our aim is to end in a stronger position than we began—more zones, more approvals, more products, and a large share of recurring work. We also began in one zone some time, 10 years back, but today we are across the entire Indian Railway network. You will find ACME everywhere. Just everywhere.

Next, we intend to be Indian Railways' private partner of choice for the entire life of coach from interior to intelligence. With this, I would like to thank you and maybe I will hand over the mic for the next session. Thank you very much.

QUESTIONS AND ANSWERS

Moderator

Thank you so much, sir. We will now begin the question-and-answer session. First question is from the line of Hardik Gandhi from HPMG. Please go ahead.

Hardik Gandhi, HPMG

Hi sir. So, congratulations on the good set of numbers and thank you for the debrief. It was really helpful. A few questions from my side are, first, how do we look at our order wins? As in what gives us the right to win? And since you mentioned in a few categories we are the only approved vendor, so, wouldn't our share be much higher in that relevant segment? These are the first few questions.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes. So basically, we need to understand how it works. When it comes to railway interiors, the railway manufactures some products and coaches themselves, and some they get made on a turnkey basis. We are approved in both segments. We are also approved to manufacture new, complete coaches. It is just like outsourcing your home interiors to a professional or buying, selecting, and building everything yourself. So, we are approved in both segments.

And as I said, the direction where railway spending is higher, and where our profitability is higher, it is always a business choice to focus where you get higher profitability, where long-term sustainability is visible, and where profit is higher. We are in both cases, and as you rightly said, we can increase our supplies further, and by increasing supplies, we can have a faster turnaround. That is what we are doing.

So, as I mentioned from financial year 2004 to 2026, this trend you must have seen that we have come from ₹30 crores plus to ₹160 crores. So, that is what we are going to do in the future as well.

Hardik Gandhi, HPMG

Sir, but just I wanted to understand if we are only an approved vendor, so when I see the win, right? So, who all are the other people winning similar contracts? Because you mentioned that we don't have certifications after the meeting. And what is the period for another person to get a certification in the same segment?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, look, for example, we have 50 products. As I said, we make 50 products. So, out of that, you can consider that in 40 products, other people are also approved. In fact, I am speaking a range, not exactly 40 or something, but I mean to say that in the majority of products, other people are also approved. That is where the competition is. But because the volume is so high more than ₹1 lakhs coaches are being refurbished, 7,000 new coaches are being made every year.

The industry has not grown in the way the railway budget has grown from ₹70,000 crores to ₹3 lakhs crores in three years. So, even if someone sets up a factory today, installs everything, it will still take them three to four years to reach that stage. It took us time, and it will take everyone time.

So, we have space, and we have sufficient market size available. So, other people can also grow in that ecosystem. I mean, it is not as I told you, there is a budget of ₹32,000 crores and our revenue is only ₹264 crores, which is a small percentage of the total budget. So, the space is very large.

Hardik Gandhi, HPMG

Surely someone is already doing this, right, such ₹32,000 crores worth, no?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

No, no. This is the important point here. Earlier, the railway was doing all this work itself. Slowly, the railway's coach production requirement was 3,500 to 4,000 coaches, and I am not talking about very long ago, just about 4 years ago. If you look at the coach production plan from 4 or 5 years ago, they were making 4,000 to 4,500 coaches per year. Today, they are making coaches in the range of 7,000 to 10,000. So, the market itself has become so large that -- these are new market. It is not like everyone was saying this earlier. These are new opportunities.

Hardik Gandhi, HPMG

Right. And sir, this year's order is understandable, ₹750 crores plus order is there. But how does one see the next year or the upcoming year. And in case government spending reduces or collections become low, because historically, we have seen one thing that in the railway segment, work gets done, but money doesn't come for a long time, government spending suddenly slows down. So, the order book gets affected. Afterwards, for 1 or 2 years, no new order comes. So, how do you look at that?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, that is a good question, I generally get this question. So I have a readymade answer for this. Look, government spending in this direction -- because if you see, we already have a huge deficit of passenger carrying capacity in the country. So, the railway has to manufacture coaches. There is no alternate, there is no option available. And it is also not unlike other government programs, where they are providing some other services, giving food or providing water, or doing something else.

This program is different. Railway program is different because it's an earning model. Railway earns from this too. So this drives the complete economy. So, spending is not a challenge, I mean, I don't see it like that right now, but anyway, because…

Hardik Gandhi, HPMG

What if they delay the refurbishment? I can understand new coaches are being made constantly. But what if they push back the refurbishment?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So for that, sir, there is no option. I'll give you a very small example. You have a car, right? So if your car service is due at 5,000 kilometre, then you have to run it about 5,000 kilometre. If you don't get it serviced, if you don't get it refurbished, if you don't get it serviced, if you don't do its periodic hauling, if you don't do intermediate overhauling, then that car is not fit to run. That has to happen. You have no option other than that.

Hardik Gandhi, HPMG

When do we get new order? Mean, annually, is there a specific period where you get awarded new tenders or is it an ongoing process?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

It is always an ongoing process. In zonal railways, orders are always for 12 months, they keep coming, something or the other keeps coming. In production units, they mostly have to plan production for the whole year or 2 years, so their orders usually come by September, October, November, sometimes if it gets a bit late, they come by December.

The question you asked, which was your major concern, that okay, this year you have an order of ₹700 plus crores visible, but how about next year? So I won't talk about the very long term. I will talk about the next 12 months, in 12 months we are seeing that we will add ₹1,200 to ₹1,500 crores worth of order book to our business.

Hardik Gandhi, HPMG

Okay.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Because we already have the tenders, overall –What sir?

Hardik Gandhi, HPMG

What is the basis for this order win? I mean, for the ₹1,200 to ₹1,500 crores, where exactly does this visibility come from?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, we are currently bidding for tenders worth about ₹800 crores within the next 10 days. And in which, as I showed you, I have taken orders so far based on my 60 plus percent probability, so my track record says so. So, I even reduce it a bit, I make it 50, I make it 40. So, we are bidding for ₹800 crores worth of orders within 10 days and then we have to bid for approximately ₹2,000 crores worth of orders more, which will be bid in the next 5-6 months. So, for the order book, I am assuming only 40%, 45% of that, so my order book comes to ₹1,200 to ₹1,500 crores.

Hardik Gandhi, HPMG

So, by your H2 result, your order book is expected to be ₹1,200 crores plus before the year ends?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

No, no, by March 2027 we are talking about adding orders of ₹250 to ₹300 crores.

Hardik Gandhi, HPMG

Okay, by March.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

And then in the rest, I am talking about 12 months. So in the next 6 months, I will add more orders of ₹250 to ₹300 crores worth of orders. And the rest of it, I will add in the next 9 months.

Hardik Gandhi, HPMG

That will do, sir. Okay. Thanks. That's it from my side. All the best.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you very much, sir.

Moderator

Thank you. Next question is from the line of Daksh Prajapati from Hem Securities. Please go ahead.

Daksh Prajapati, Hem Securities

Hello?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes, sir.

Daksh Prajapati, Hem Securities

Am I audible? Good afternoon, sir. So, I wanted to ask you that, sir, you have mentioned that business is significantly weighted toward the second half with H1 contributing only like 10% to 20% of annual revenue. Could you please explain the complete order execution and billing process, like at what state stage does the company recognize revenue up on dispatch of material installation or completion of work?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes, sure. So, basically, we are getting order, then we are manufacturing the component, then we are supplying to railways. So in case of supply item, in case of just supply item, we get our payment just after supply. 95% payment we received after supply and then 5% also within 10, 15 days after acceptance of material.

In case of toilet modifications, we supply and then we get our payment of 70%, some contract has 70% payment, some contract has 80% payment, some contract has 60% payment, some contracts do not have payment and we realize payment only after completion of the particular coach. So, it's a different variant and different kind of contract.

So generally, in an average, you can say that if we are combining everything, average, we are receiving 50% to 60% payment on the supply of the material and then balance is, we are receiving once the coach is executed. The once the coach is completed, coach is turned out from the workshop. So this entire timeline from raw material to getting payment is about 4 to 5 months kind of timeline.

Daksh Prajapati, Hem Securities

Okay, thank you. And sir like, your receivable days are very high around 250 to 300 days. So, like do you see these ratio decreasing in future?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes. So basically, there is some receivable amount we assume, just like I told you, that we receive some payment on the supply of the material in terms in case of complete interior furnishing, or in case of toilet modification, or in other cases. So we receive some amount, and then we receive balance amount once the execution is done. So sometimes execution take little longer time than expected.

But the payment is due, and the payment has to come to you, that is for sure. It is only delaying, you see, sometime there is a, Diwali or Chhath Festival. So, sometimes you get the coach late, you don't get it early. You have supplied the material, you have also done the billing, and you have also got some money on it. You have got a certain percentage, but you don't get all the money.

So, this is getting improved from next year onwards for sure. Because now we have order book. Now we have 700 order book and we are also taking orders. And these orders, because there is more percentage of toilet and more percentage of supplies. So, definitely this year, April onwards, we will have a regular monthly billing.

So, H1 will not look lighter just like it is looking at this moment. So, it will be evenly spread, at least, if not super evenly, but at least, the 10%-20% H1 and the rest 80%-90% H2 will not look like this. H1 will also look like at least 30%-40% and H2 is again going to be 60%. So, once the regular billing is getting done, once the regular coaches are getting, I mean, we are receiving, so, this cycle will end automatically.

Now, we got all these orders. We had to do prototyping. We supplied the goods. It took a lot of time in prototyping. They saw the prototype and approved it. They didn't like it. Then some other changes happened. So, this takes some time. But now, at this moment, when I am talking to you, majority of our prototyping is already approved. Everything is already done. Supplies are established. So, this is going to be good for sure.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Additionally, I would like to add. Hi, I am Rajen here. I would like to answer that. So, if you see our order movement and the turnover movement, so our turnover was very highly more from new coach furnishing in '23, '24 and '25. '26 is the year we have taken less order than new coach furnishing and moved to toilet-modernization. So, toilet-modernization, the new order that had come, the prototype is there.

So, your question next should be why it has always from last 2, 3 years that this year it was very high. Because of those orders, our majority of the sales were booked in the month of Feb and March. So those collection were getting collected as and when I was getting coaches. So, I mean, new coach furnishing there are more than 200 maybe 300 items which we have to procure and install a coach and I get the payment once I complete the coach.

But now on it will change. So, you will see a good change in March '27. It will be quite a decent change you will see. And a very good change in the coming year. So, this is how the transition of the product segment portfolio will change on my receivables part also.

Daksh Prajapati, Hem Securities

Okay, sir. And sir like going forward, what EBITDA margin range do you consider sustainable and how much confident are you about maintaining these margins?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Sir, we are confident about minimum 18 percentage.

Daksh Prajapati, Hem Securities

18%.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Yes. You can say 17% to 18% is the range that will be maintained. It can enhanced without product mix.

Daksh Prajapati, Hem Securities

Okay sir. And also, what revenue growth or absolute revenue targets should investor expect for FY28?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

I will go little conservative as of now. And I already share the number that ₹1200, ₹1500 crores new order. Now it depends in which month I get those orders. So with the plus minus 10% variation or 15% variation will be targeting anything between 525 to 550.

Daksh Prajapati, Hem Securities

Okay. Sir, also like can you throw some light on your joint venture with Airfloa?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

We don't have a joint venture. So, it was -- I'll reply sir. I'll reply to you. It was a specific project, project specific SPV. So sometimes you have to make a project specific JV because this market is emerging. Nobody has entire credentials. So, I have something, they have something, so we form a consortium kind of thing to bid in the tender. Once the tender is completed, we get our own credential, and we both get separate. So, it is just for a specific particular project. It is no long-term JV.

Daksh Prajapati, Hem Securities

Okay, sir. That's it from my side. Thank you so much, sir.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you, sir.

Moderator

Thank you. Next question is from the line of Vijay Singh from Anand Rathi Wealth. Please go ahead.

Vijay Singh, Anand Rathi Wealth

Hi Mr. Pandey. Congratulations on your first results. And my question is -- am I audible?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes, sir, you are audible, sir. Yes, sir.

Vijay Singh, Anand Rathi Wealth

Yes. So, my question is ACME is mostly in the business of wagon business, and therefore my question is will ACME see themselves venturing into passenger coaches maintenance business and do you have the wherewithal, the strength, credentials to get there?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, if I understand your question correctly, you mean that ACME has recently entered into wagon maintenance business and when we are planning to go into passenger coach maintenance business and what is our strength. This is your question, right?

Vijay Singh, Anand Rathi Wealth

Precisely.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you. So basically, the immediate opportunity came from the railway for the wagon business and we got qualified and we entered into the business. Passenger maintenance any way we are qualified. So wagon is an addition to what we are doing. As for these passenger coaches, we are already working on them, so there aren't really any major questions regarding eligibility or other such matters.

Yes, for a certain tender value but yes, for bigger tender value we want to enter into passenger coach maintenance, then just for your satisfaction, we already have a tie-up with couple of company from Korea and Russia. So, these tie-ups are going to be used because from there we are bringing credential. My one partner in Korea is having 15 years of experience in maintenance of train sets.

The passenger coaches, and they are maintaining almost everything, be it electronics, be it automatic door, be it tractions, be it HVAC system, be it interior, driver desk, everything they are doing the maintenance and we have joint venture with them. And that joint venture we are bringing credentials and then we can participate in the tender with that company for getting this passenger coach maintenance business orders.

Vijay Singh, Anand Rathi Wealth

All right. Thank you. And my next question would be do you maintain your current guidance for the current financial year? Do you see that being revised after in the last quarter? The reason I am asking is mostly you

see most business happening towards the second half of the year. And precisely regarding the second half of the year and therefore, do you see yourself revising your revenue guidance upwards?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, for this year, as I mentioned that the current revenue what we will realize is about ₹74 crores. And then, we are targeting somewhere around 380 something, by March '27. So balance ₹310 crores we are going to do from the H2 only. As I mentioned earlier as well that next year onwards, from April onwards the sales is going to be quite evenly spread, at least 35%-40% sales will be in the first half and the balance sales will be in second half. So, it is going to change. The revenue model from next year it is going to change, and change towards more, I mean towards the positive side.

Vijay Singh, Anand Rathi Wealth

Fantastic. Thank you so much. Best wishes to the team and of course to you.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you, sir.

Moderator

Thank you. Next question is from the line of Love Gupta from Counter Cyclical Investments. Please go ahead.

Love Gupta, Counter Cyclical Investments

Hello sir. Thank you for the opportunity. Firstly, I wanted to understand who are our competitors in these spaces? Do we consider Dhara Rail to be one of our competitors?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, as I said that ACME is positioning itself as a unique company. We are doing our own design, we are doing our prototyping, we are manufacturing, so we are OEM. We are doing installation, we are doing warranty maintenance, we are also doing repair and maintenance work. So, in the entire ecosystem of train from day one to the last day, we are available in the train.

So, some competitor, some companies are either available only for the installation, some companies are only for the design, some companies are only for the supplies. So, without taking anybody's name, I will just try to reframe myself from the taking name of any company. But if you, if you just go and see their profile, they must be doing something where in they are positioning themselves in a specific area of the business where in we are positioning ourselves as a, within the entire ecosystem of the train.

Love Gupta, Counter Cyclical Investments

Understood, sir. And just to understand, what segment or what product categories carry higher margin? And then are we addressing those segments?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes. So, some products are getting higher margins, some products are getting higher cash flow. So, supplier of components to railway is with a great cash flow, you supply and you get your payment and that's it. Thank you very much, but it has a lesser margin for sure. The complete refurbishment definitely having higher margin. The toilet modification and technologies technological product is always having higher margin. So, the margins are divided into different sectors.

Love Gupta, Counter Cyclical Investments

Sir how are we shaping up to get more business from the refurbishment side?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, as I told that from as I mentioned in my speaking note that from 557 coaches, the opportunity has increased to 7,000 plus coaches for the, which are already due for the midlife rehabilitation. And refurbishment as I told that already been announced and the scope of work and budget is already been distributed across the all-zonal railways.

So, there the opportunity is emerging very heavily. I mean, I don’t know how quickly we will be able to make progress, because my share in the overall business is currently quite small—though the opportunity itself is very large. So, there is plenty of room for us to grow as for how much we will actually be able to achieve—well, actions will speak louder than words.

Love Gupta, Counter Cyclical Investments

Yes sir. And when we expect to start... Sorry.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

In regard to completion, I want to add one line. So, when initially speech he was explaining about his journey. So, ACME was providing supplies and started doing turnkey first projects in 2016-'17, when it was evolved. So those were the solutions that we were giving and presenting.

So those, somebody asked that question of how much time does it take for prototype approval? We have taken four to five years of our first prototype of this toilet was made in '16, '17. So, all that journey has taken us time, where we have built up a credential from ₹20 crores development to now ₹100 crores plus turnover.

So, the competition, I would not like to say it little loudly, but yes, in a higher volume segment with government wanting to bring lot of changes in the refurbishment and toilet modernization and refurbishment. We will carry higher credentials. So, I will say that in a softer note for the competitor zone. Suraj ji, if I say technically.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes. You are right sir. You are absolutely right. Because this is not one day it was not built in one day. It is not that we have also, as Mr. Rajan has already mentioned that we have done the first prototyping toilet in fact the first prototype of toilet was done in 2014. The second toilet was done in 2017. The third was in 2022. After that in year 2023, government has realized that “Oh my God”. This is really needed.

This is something wherein passenger expectations are getting high and they have received sufficient feedback from all across -- it is all available on the Twitter, the Minister himself has, visited the refurbished toilet and he has tweeted and that's a public data available in the public. And, so based on the feedback of public wherein people appreciated a lot that this is really required. And, because of that, this has taken a different and very higher shape.

So, refurbishment also, toilet gradation also, since we have, we, we are getting a little early bird advantage, I would say like this, because we have done it four, five years back. So, we have the established supply chain. We have established credentials. We have established manpower, the technological advancement. We are with a little upper edge than our competitors. So, maybe we'll get that that benefit for sure, at least for next three, four years I can see.

Love Gupta, Counter Cyclical Investments

Understood Sir. Thank You.

Moderator

Thank you. Next question is from the line of Akash from Portescap. Please go ahead.

Akash, Portescap

Hello, sir, good afternoon. And thank you for sharing the insights. I am particularly interested to know more about the advantages of maintenance business and what do you think will be the size of this in the next three to four years?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Okay, sir. Thank you very much. See railways was doing this maintenance of the coaches on their own. Now because of more and more coaches in the services, because as I mentioned that there is a deficit in in carrying capacity for the national carrier.

So, the number of coaches has increased, but there is a shortage of either manpower or technology required to maintain them essentially, a gap exists between the requirements and the actual availability of manpower and technology. Now different type of train set has introduced now, Amrit Bharat, Vande Bharat and LHB coaches this different type of Gatimann express all this have speed, have interior good, and many more different features add by railways, to maintain this, they need people from outside.

Because the team with them are able to do maintain only particular work, but to maintain different work need different people, have advance kind of thing. So, there I see a great future, and railway is also realizing the same, and now one tender for passenger maintenance they have published is about ₹2,500 crores recently. Just recently. I was not -- so, and, and we are seeing some scope, there's a possibility that we might get some order from that big chunk of the business.

And, because number of coaches are rising by every passing year, the need people, so therefore the maintenance business is going to take a larger shape than what we can even imagine. You see, maintenance contract is specifically designed for the long term. So, we as a company also want to book a long-term revenue

model. We definitely want it, we are focusing on that, and that is where, that is the reason we have made a lot of global tie ups in last four, five years, and we are ahead of, ahead of many other uh, peers or maybe competitors for that matter.

Because we, we forecasted this five years back that this is going to come soon. And now it is the time we are witnessing that the business is available. So, this is 10, 12 to 15 years long term contract maintenance. So, in this we definitely quite excited to participate in this. So that we can book a long-term revenue and we have assured revenue and profitability for the 6, 7, 10 years kind of timeline.

Akash, Portescap

Okay, sir, thank you for this insight. And I wish you and your team good luck for the future.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you, sir.

Moderator

Thank you. Next question is from the line of Sachin from 1729 Capital. Please go ahead.

Sachin, 1729 Capital

Sir, I had a question from the finance team, what is the trend of our finance cost year-on-year? Like currently it's around ₹8 crores in the first half, so for the full year basis, even after the repayment of debt from IPO, what would be the finance cost?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So, our finance cost should be in the second half additionally, we are targeting around ₹3.5 crores to ₹4.5 crores. Since my first year it also includes my, there was a interest on MSME component, there was some payments which got delayed because of these prototypes the accounting does not understand ki my vendor is agreeable to give me 45 days credit.

He will give me the benefit; I will avail the benefit on the purchase. But as per accounting standards, I have to make a provision. So, all of a sudden there are ₹8 crores of them, ₹2 crores of my interest are MSME. And some fund that I had to borrow from either from promoters from unsecured position that we have placed.

Because our product prototype was because banking may DP and everything was not able to support. So, the first half went up, but in next half, we as we have already taken a lot of positions, we have already brought it down. And with good collections, yes, I suspect round ₹3.5 crores to ₹4.5 crores addition only, and next year onwards, we because we don't have long term debts. We only have short term debts. So, we don't expect the interest cost to be high in the coming year. It will be controlled.

Sachin, 1729 Capital

Okay. And do you have a quantum for the total savings we are getting so from the IPO after repayment of debt and if our CC limits are still there, then we will utilize them from the IPO working capital limits. So, do you have a quantum for that? What would be the total savings?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Total savings. Sorry, I did not catch you.

Sachin, 1729 Capital

Total savings on the interest part, like we are utilizing some funds to repay debt from the IPO and then we are also utilizing funds for working capital from the IPO. Combining these two, what would what can be the approximate saving figure for us on the bottom-line front?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So, our interest cost should be, I say full year basis, our full year basis our interest cost should be anything between ₹6 crores to ₹7 crores, with the same set of business that we talked about. If I'm talking about anything turnover, let's say, if I say turnover of ₹525 crores, ₹550 crores next year. So, I envisage my interest cost anything between ₹5 crores, around ₹5 crores to ₹6 crores. But if any big opportunities comes which is helping my turnover to grow by let's say another ₹100 crores or any maintenance big order, if I have to take some more loan and all, that's a different thing it can impact of ₹50 lakhs to ₹60 lakhs because our business is not very capital intensive heavy. So, our is a low capital intensive. So, we end up taking, so I don't expect a very high interest cost. It should be anything around ₹5.5 crores to ₹6 crores, full year basis.

Sachin, 1729 Capital

Okay. So ideally, if I put this into perspective just for FY27, I think there should be a margin uplift on the bottom-line front, like EBITDA to as Suraj mentioned that would be in the range of 18, yes somewhat of that percentage, but on the bottom line we can expect around 200 basis points plus minus 11%? Yes, yes.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So last year 11, so yes 11 to 11.5 PAT margins are expected

Sachin, 1729 Capital

For FY27, and maybe for FY28 as well.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Yes, yes, '27. It will increase only. See with my interest cost coming down, my employee cost will not increase in the same proportion as my sales, and my rent will not increase in the same proportion. So definitely my EBITDA will also improve 0.5 percentage to 0.6 percentage. So there will be incremental growth in all the aspects.

Sachin, 1729 Capital

Sure, sir, sure.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

We are not, we don't want to talk very loud about it, but yes as you understood sir, you're rightly mentioning that because this IPO money and earning from our own revenues, billings, so that is going to definitely reduce the interest cost.

And significantly reduce the interest cost, and that will be added to the to the profit, and at this moment because we are mentioning 11.5 somewhere at about the profit margin, by what we have seen as a trend that, and within our balance sheet as well, and within the market as well, what we have seen, because if you're doing the more revenue, your fixed cost is getting reduced anyway. They are not increasing in the same proportion. You are --actually when you're doing more revenue we are doing by consolidating our existing accounts only, within the railways as well.

Because if we are supplying Matunga. So, if we are working there for ₹50 crores. So, we are working there for ₹100 crores. So, our fixed cost is getting reduced from there as well. That is our model of consolidation. So, we are mostly consolidating our business. That will definitely be going to give a very positive impact on the PAT

Sachin, 1729 Capital

Yes. Very true. Thank you for the explanation, Suraj ji and all the best.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes, sir. Thank you,

Moderator

Thank you. Next question is from the line of Vishnu Prasad Arora, who is an Individual Investor. Please go ahead.

Vishnu Prasad Arora, Individual Investor

First, congratulations to the team and to the company. I have a very simple question. Like, we raised ₹106 crores from the fresh issue. Okay. So, out of that, the debt repayment, working capital, capex. In that, how much will be reduced? And in the last press release, it was mentioned that ₹97 crores were utilized till 30th September. So, I didn't understand that. Because the audit came on 7th October.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So, on 7th October, funds have come in. Because the auditor has to give the reporting fee as of today. I mean, as of November the call that we have taken today. So, that position is as of November 1. So, this much funds have been used. Now, the funds which are not used as of now is the general corporate purpose. And the capex part. So, 41 has been used to pay off the respective loans.

And 38 for working capital for making payment of vendors and everything. For the regular working capital and vendor payments, the funds are used. So, 41 to 38, 79. And close to 16 odd crores was the IPO expense. So, that had gone to the IPO expense. So, the IPO expense is 95. So, 1 or 2 crores here and there will be a figure. So, that is how the 97 was used.

Vishnu Prasad Arora, Individual Investor

Okay. So, if this 41 around batch repayment has been done. So, its interest quote, if it comes in H2, then its impact will be visible. Correct?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So, yes. So, when you pay off CC limit for one time. But again, now as I have to do ₹300 crores. See, I have to do. I had taken the funds from a little high source unsecured. So, I have already paid them off. So, I paid those high interest-bearing costs. But because I have to do ₹300 crores for the next 5 months. So, it will come into the positioning. But interest cost will be lesser. As I shared in the second half. The interest cost will be lesser in comparison to the first half.

Vishnu Prasad Arora, Individual Investor

Okay. And another question is in H2, you have written a guidance of ₹306 crores. Okay. So, how much will come from the new order and how much will come from the existing order book? Means, what will be the split of quarter 3 and quarter 4 in this?

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So, majority of the turnover that we have given is. I can say 90 odd percent or 95 percent of the turnover is based on the orders in hand. So, whatever the new order that I will get, again, I have to make a prototype approval that takes time. So, the few supply that I have got. I can get the supply. So, few. Yes. Some 5 to 10 will get from the new orders. But before my 26, 27. I already have the orders in my hand. So, that is why we are giving the confirmed guidance for ₹300 odds here.

Vishnu Prasad Arora, Individual Investor

So, technically the order that we have…

Moderator

Sorry to interrupt Mr. Arora. May I please request you to rejoin the queue for the follow-up questions, sir? Thank you. Next question is from the line of Shashank Singh from Mitra Capital. Please go ahead.

Shashank Singh, Mitra Capital

Sir, am I audible?

Moderator

Yes, please go ahead.

Shashank Singh, Mitra Capital

Sir, I have joined a little late. And as much as I could hear. Sir, I have attended a few questions. Sir, please tell me again. In FY27, we will be at PAT positive or not. Because in FY21, we have lost. But even last year, we lost in H1. So, H2 is our profitability point of view. Overall, we will achieve 11% PAT this year in FY27.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

No problem, you have joined late. But you have understood correctly. And you are on a pinpointed question. So, basically, if you look at last year's H1, there was a lot of loss. So, in a way, we reduced the loss by almost 50 plus percent. If you look at it. As you must have seen the balance sheet. Further, our H2 was profitable last year as well.

It became profitable this year. So, we are talking about 11%, 11.5%. We will achieve that. Because we have a business and everything. Seasonality is a part of this business. It is not me. It is not anybody else. It is a part of this ecosystem. And it is very simple. For all the audience, for better understanding, the rail budget comes every year. Now, it is in February. Then, it gets distributed till March-April. After April, they do further spend planning.

They do further tender finance vetting. They do further tender publishing. After that, they do financial commitment. So, this happens in 3 months to 4 months. After that, you see tender publish online. Then, you bid. Then, the tender is decided. Then, you farm. So, H1 is always like that. But, next year, which will be April. So, our position will be much better that year. Because next year, in March only. If you see, every year we

used to enter April with an order of ₹100 crores, ₹150 crores, ₹200 crores. Right. Now, if you see April. So, in that, we will enter with an order of ₹750 crores, ₹800 crores.

So, when you enter with ₹750 crores, ₹800 crores, then you will take further new orders. So, for you, it will be evenly spread. That means, H1 will not look lower. Next year. But we have covered a lot. Last year, it was of ₹20 crores. Now, it is of ₹9 crores.

Shashank Singh, Mitra Capital
Yes, sir. There is a lot of improvement.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes. So, from next year, we are targeting that we will definitely work in the direction of zero down. Because we have an order in hand. Our situation has improved a lot in the last 1.5 years to 2 years.

Shashank Singh, Mitra Capital
Yes, sir. So, on a consolidated basis, for a full year, we will consider EBITDA margin as 18% and PAT margin as 11% for FY27.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Yes. This is what we are Mean, if we consider it as a conservative figure, we will definitely consider it.

Shashank Singh, Mitra Capital
Thank you so much, sir. My best wishes.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you, sir.

Moderator
Thank you. Next question is from the line of Het Pradhan from Damani Family Office. Please go ahead.

Het Pradhan, Damani Family Office
Am I audible?

Moderator
Yes, please go ahead.

Het Pradhan, Damani Family Office
I just wanted to know our capacity utilization numbers as of now. If we have any…

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

See you are talking about the capacity utilization?

Het Pradhan, Damani Family Office
Yes.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Our capacity as of today, we are working on one shift. We expect our factory is very well positioned with the very minute changes of some small capex and some minor modifications. We can achieve anything between ₹1,250-₹1,500 turnover within this factory. So, whatever value addition that we have to do is test lab machines, some imaging machines. So, the size of the factory and everything is very well positioned to take up ₹1250-₹1500. So, utilization these are all fabrication work and everything. So, if you look at it, if you order some supplies, it will look like 33% utilization. So, it will not give the right picture. But I can say we can cater to ₹200 crores turnover from this existing facility.

Het Pradhan, Damani Family Office
Okay, great. Yes. That's all from my side. Thank you.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you, sir.

Moderator
Thank you. Next question is from the line of Rohit Saha from Investmate Insight. Please go ahead.

Rohit Saha, Investmate Insight

My question is with an order book of approximately ₹727 crores, what percentage of this order book is expected to be executed over the one year? And the second question is, are there any execution or working capital constraints that could affect timeline revenue conversions? Thank you.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

So, first of all, out of 727, we are expecting, as I say, 90% I am expecting this year only sales of 300. So, close to ₹270 - ₹280 crores will be executed this year only. So, that leaves me with close to 270 around 450 odd, order book with me in my hands at the end of March '27. So, that 450 may close to 70 percentage or 70 percentage to 75 percentage will be executed in next year '27-'28, and the balance.

Because some projects are of two years, some projects are of 2.5 years. So, because we are getting coaches from the railways. So, we have to do the modulation of the toilet. As in when the coaches are there, we do the refurbishment as in, the supply will get faster. So, these orders will also, some part will also go in '28-'29. So, this is how the order movement of this year's order book will move.

And whatever the work is. is it okay? See, working capital, because our total modernization is a little compared to, little faster cycle because the components are a little lesser. So, typically, we don't expect a very high working capital major requirement. The requirement can increase only if we suddenly, if we get very high-volume orders. Because, obviously, the company keeps on bidding and sometimes you get more lucky than what you think.

You thought you will get 1,000, or you end up getting, maybe 2,000. Then it can, yes, I might be requiring the working capital. But with the existing working capital structure, with a slight little increase, the only thing that we require is the non-fund-based limit. We require the BG limit that we have to give to the railways and for the bids and the performance. So, we don't expect a major working capital disruption happening because -- and the best part is that our order book is very well, you know, segmented.

We are not dependent on one segment. So, we have total modernization 460-odd crores. Then we have refurbishment. Now we have supplies also. We have this is like a new coach furnishing, we have majorly not bid for any yet. So, we are planning that you know we are positioning our factory and everything and next year onwards we will be bidding for that also. So, there is all little. So, we don't expect too much of disruption in that part working capital.

Rohit Saha, Investmate Insight

Thank you for your insight and for answering my questions.

Rajen Dutta: President of Finance & Strategy - ACME India Industries Limited

Thank you.

Moderator

Thank you. Next question is from the line of Vinay Pandey from Vibhata Solutions LLP. Please go ahead. Vinay, your line is unmuted. Please go ahead with your question.

Vinay Pandey, Vibhata Solutions LLP

Hello. Good afternoon, sir. Can you hear me?

Moderator

Yes, please go ahead.

Vinay Pandey, Vibhata Solutions LLP

At present, as you have shown that 63% winning ratio is in your toilet operation project. So, to maintain this ratio, don't you think that toilet operation is a seasonal business and it has come according to time and then it will go away?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

That's a very right question, sir. So, toilet operation is not a seasonal business. It has definitely come, because every time there is some reform going on in the railways. So, earlier, ICF coach came, then LHB coach came, then Vande Bharat coach came, then Vande Bharat sleeper version came. So, version keeps changing. But toilet was always a problematic area.

Now, government has identified it because of the passenger feedback and because of that, it becomes a need of ours. So, toilet operation is going to be sustainable. And, I'll give you an example. So, in 2023, to upgrade the toilet of 4,000 coaches, the board issued a policy. Just 4,000. In 2025, they put 25,000 coaches in the range of toilet operation.

And, in 2026, recently, they put 40,000 coaches in the range of toilet operation. So, if you see, the numbers are very increasing. And, you see the size, 4,000 to 25,000, that is, almost 5-6 times. And then, 25,000 to 40,000. And then, this is a recycling process. So, today, the toilet you upgraded, after 3 years-4 years, when it goes to POH, or, the board's policy, the policy says that, the coach, on a mandatory basis, you have to upgrade the toilet in 6 years.

It is mandatory. And, on a condition basis, you have to upgrade it So, if you take 6 years as the benchmark, not 3 years, but our experience is that, on a 3-year basis, the toilet is already being upgraded. Because, if it is bad, you have to upgrade it. With railways, in a coach, in a train, there are 20 coaches. Some coaches are 6 years old, some are 5 years old, some are 3 years old. So, the toilet of a coach in the neighborhood looks very good.

And, the toilet of the coach doesn't look good. So, the railway doesn't want this. So, they have to upgrade entire coaches because, they are taking the same passenger fare from every passenger. So, ultimately, when, I don't know when you travelled in the last train, but, if you imagine, then, when you are walking from one coach to another, then, you see the gangway, doorway, toilet of one place looking very good, and not in the other. So, you will feel bad about it. That, they made me sit in a bad coach, and made me sit in a good coach. Something like that.

So, based on that, the railway, this has to be done in 6 years, on a condition basis, it has to be done in 3 years. So, if you assume that 40,000 coaches have to be done, then, at least, at least, 6 years-7 years will definitely take. This will not happen in a day. We are also doing our project, so, let's assume that, now, we have 6,500 approximately, coaches, toilet orders. I mean, the ones that came to us.

And, recently, we have won 11,000 more toilet orders. So, we have around 18,000-19,000 order books for toilet operations. So, definitely, this will also What will be done next year. It's just like POH. Just like, you bring your car for repair and modernization after every certain kilometer. There are certain kilometers which is mandatory. This is mandatory. You don't have choice. So, similarly, this is not seasonal.

This opportunity has definitely come. And, I'll tell you the reason for this opportunity because certain cases, certain fire cases are mostly happening from the train toilet or gangway area. If you see, people smoke in the toilet and they throw matches or something else. And, the old existing material was catching fire. In the gangway doorway area, people burners or stoves in non- air-conditioned areas.

So, this is what railway is trying to address within this toilet accommodation or refurbishment wherein they are using advanced composite material, advanced material. And, that is where our ecosystem is coming in. So, I would tell you that this is not a seasonal business. So, tell you that this is not tell you is not a seasonal business.

Vinay Pandey, Vibhata Solutions LLP

Sir, my question is slightly different. You mentioned that there are plenty of competitors in this space and that there is sufficient business available. However, in sectors like the railways, there is an L1, L2, L3 system, where the order is awarded to the L1 bidder, the lowest bidder. You are suggesting that you will generate a healthy profit from these toilet upgradation projects; so, how do you ensure that you emerge as the L1 bidder and secure the contract, while also managing to earn a decent profit in such a competitive market?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Your question is correct sir but there are certain trade secret as well which we might not want to disclose on the open call. But I would just tell you that because, uh, we are component OEM, we are approved OEM, or we are regular supplier for certain components pertinent to the toilet updation or refurbishment. We definitely have upper advantage. As I told you that we are, we are getting little early bird advantage.

We made it in 2014, then we made it in 2017, then we made it in 2023 and based on that all these things are based on passenger feedback. To we have already gone through a long journey. So, anyone has to come to L1 to get the competitiveness they need, in terms of sufficient technological advancement, sufficient material availability, sufficient supply chain. Tie up agreements with your OEM, all authorization. All these things are required like documentary proof in railways to become a technically qualified bidder.

Your financial bid is open only when you are a technically qualified bidder. It is always two bid system for the tender which is more than ₹10 crores. So, all our tenders are approximately in the range of ₹50 crores, ₹80 crores, ₹90 crores, ₹100 crores, ₹150 crores, one tender in this range. So, we have little competitive advantage which we might not to go into further detail on that.

Vinay Pandey, Vibhata Solutions LLP

Thank you so much sir. I have one more small question for you, what type of technology business available with the railway in market? And how railway is going to take the benefit from this? Also, what is ACME vision and future plan for technology business into the railway?

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

So, see now sir, whatever technological advancement we have done, we have mainly done it in furnishing business. Here we have given fire safe product to railways. Light weight, fire safety because safety is paramount. So, safety should be concerned about fire safe material where toxicity control, spread of smoke control, spread of flammability control there. So right now, this was our primary focus, which we have already achieved and we have got sufficient orders on the basis of that.

Now the second, there are there are several different technologies coming up in the railways like a wheel impact load detection WILD. For that also the railway has already issued budget of almost meaning they have already sanctioned budget of just 400 units, like it is worth ₹450 crores. MVIS is Machine Vision Inspection system, hot axle hot wheel detection system is, OMRS is Onboard Monitoring of Rolling stock system.

Basically, because trains are gaining more speed, then monitoring is becoming uh difficult day by day. And preventive maintenance is a new normal. So, if you have more preventive maintenance stuff and supported by sufficient technology, then it is very easy to maintain because we are already focusing on the maintenance business. This technology is very important for us.

We still don't have enough global tie ups, we are trying to do more. And on the basis of that because this market itself is about, at this moment the entire sanction from the government side, which is available, public domain data. So that is about ₹2,700 plus crores in different project for installation of all these WILD, OMRS, hot action hot wheel detection system and all those things.

Machine vision inspection system, so we are, we are trying to get some joint venture with couple of companies who are already established in this market. And we are trying to take licenses for manufacturing of these components within our, premises within our factory. So we are, we are going to become OEM in, maybe, it may be very, I am not talking about very far future, but maybe in a year or so, we are going to enter into this kind of technological business for sure.

Vinay Pandey, Vibhata Solutions LLP

Thank you so much sir, for answering, and best of luck to you and your company.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you, sir.

Moderator

Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Suraj Pandey for the closing comments.

Suraj Pandey: Managing Director and CEO - ACME India Industries Limited

Thank you very much to Kirin Advisors for arranging this call. Thank you very much for all the investors, shareholders and guests who participated to understand our business, and to understand the entire railway ecosystem. We will be, this is our first earning call after this H1 result, and rather it is actually the first one.

We'll keep coming to you. We'll keep informing you about what is happening in this market and how we are quite relevant and growing very significantly in this market. And further we'll, I'll again request that next time whenever we are, we are arranging this kind of calls, I'll invite more questions and uh we'll be happy to answer all those questions to bring this, and to get the investor confidence.

We have earned sufficient confidence from our client, that's a, that's a national operator. And, we have earned sufficient credential from them. Now it's time for us to, us to get the same credential and same confidence from the market as well. And our entire team is quite assured about it that when we, we have already earned biggest credential from one of the largest transporters in this world.

We will definitely be able to win the confidence of entire market as well. So, thank you everyone.

Moderator

Thank you so much, sir. Thank you, everyone, for joining the conference call of **ACME India Industries Limited**. If you have any further queries, you can write to us at **research@kirinadvisors.com**. Once again, thank you everyone for joining the call. You may now disconnect your lines.