



Titagarh Wagons Limited
Q4 FY2020 Earnings Conference Call
October 09, 2020

Management:

Mr. Umesh Chowdhary – Vice Chairman & Managing Director

Mr. Anil Kumar Agarwal – Director of Finance and CFO

Mr. Saurav Singhania – Group Finance Controller

Hosted by



Moderator: Ladies and gentlemen, good day and welcome to Titagarh Wagons TWL Q4 FY2020 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rushad Kapadia of ICICI Securities. Thank you and over to you Sir!

Rushad Kapadia: Good evening everybody and welcome to the Titagarh Wagons Limited Q4 FY2020 results conference call. We have with us from the management Mr. Umesh Chowdhary, Vice Chairman and Managing Director, Mr. Anil Agarwal, Director, Finance and Mr. Saurav Singhanian, Group Financial Controller. I would now like to hand over the floor to these gentlemen. Thank you and over to you Sir!

Umesh Chowdhary: Thank you very much. Very good afternoon everybody. My name is Umesh Chowdhary and I am joined by my colleagues. It is a pleasure once again to be on the post results conference call. Firstly we apologize for the delay in publishing the result, which was primarily on account of course first COVID and then pending the order for merger of the subsidiary companies of Titagarh Wagons in itself, which was finally made effective only on October 2, 2020 and therefore we held the Board meeting and announced the results yesterday. We would also be announcing the results for the June quarter on October 14, 2020 that is next week. As you would have already got the investor presentation, which has been uploaded on the BSE website, the performance of the Indian operations and now I am talking about the consolidated that is the merged operations of Cimmco and Titagarh has been significantly better than last year, this is in spite of the last week of March not being available to us on account of the COVID lockdown. Having said that, the focus last year had been as I had mentioned during our previous investor call that one of the focus of the company is to improve the balance sheet quality in terms of improving the working capital cycles, reducing the debt, improving the efficiency and we have been able to achieve some of the targets that we had set for ourselves I would say quite satisfactorily, which is visible in the numbers that we have shared with you.

So on a standalone basis I would say the Indian operation basis, the order booking also we received an order about a couple of weeks ago from the Indian Railways for about 1,800 wagons valued at Rs.600 Crores, but owing to the COVID crisis the private wagon demand has seen a little bit of a slowdown over the last several months. We do believe that once the situation becomes normal and we have seen some of the enquiries coming back in the market, so we anticipate that the private wagon demand will come back. As of now the company is sitting on a fairly healthy order book, which has also been disclosed in the investor presentation, so we do not see any immediate risk to the company’s performance on account of lack of orders, but of course the future would greatly depend upon how quickly the economy can revive and the economic activity can pickup again.

As far as the overseas subsidiary, which is primarily the Italian subsidiary now with the business transfer enclosure of the french one, the impact of the COVID crisis has been far more significant in Italy than in India because the crisis began there or started showing or creating disturbances somewhere in January. As a result of that while in about nine months of the financial year, we were able to register a positive EBITDA, the last three months the situation completely changed, and we had to close the year with negative EBITDA on a cumulative basis. The operations of the Italian company have restarted from around June or July and slowly they are getting stabilized, now they are more or like stabilized and of course we keep our fingers cross that we should not have what they generally refer as the second wave. Again due to the new management, the new strategies, we have been able to optimize the Italian operations quite substantially, the challenges that still remain are of course the normal challenges apart from COVID, availability of working capital and the supply chain becoming normalized and so on, but we are quite hopeful on the Italian subsidiary being able to deliver much better set of numbers in this current year. We are also quite hopeful that barring extraordinary circumstances this year we should be having a much better positive EBITDA in Italy and the Italian debt levels continued to be around the same level that was before again has been disclosed in the investor presentation.

Coming back to the consolidated numbers, we have in our balance sheet, while we have registered operating profits, there are certain extraordinary one-off onetime items, one of course is relating to the French company, which is the discontinued operations, all the potential liabilities that were there relating to the French discontinued operations have been either paid or provided and considering the losses that were already incurred in Italy from the time we acquired, the company up to date and considering the valuation done by an independent valuer, we have taken non-cash hit on our P&L this year in Indian books for the investments that were made for the Italian subsidiary as a result of which there is a hit of about 12 million Euros as impairment of investment value, so that is the situation of the company.

Just a very quick update on the contract that we are executing, the Pune metro contract that is a very prestigious contract that we had booked, is going on track, we launched the styling of that, it was launched by the Secretary Ministry of Housing and Urban Affairs on August 15, 2020, which has been very well appreciated. The production of that has already begun in Italy and the plan setup is going on as per schedule in India. For the propulsion, we have started executing the developmental order, we signed a strategic partnership with ABB for the EMU and MEMU propulsion so that is also going on track. We expect that in the beginning of the next financial year we will be able to deliver the first batch of both the Pune metro and the propulsion order. As far as the ship building segment is concerned, we completed all our previous orders; we have participated in several tenders for navy and certain other customers. I would just like to remind that our focus on the ship building segment is to cater only in the specialized vessel segment, we are not getting into the

general cargo vessel segment, so we have participated in tenders in the navy and we are hopeful to be able to bag some orders soon enough.

On the bridge we acquired 50% stake that was held in the joint venture between Matiere and Titagarh called Matiere Titagarh bridges. MTB now is a 100% subsidiary and we have bagged orders for about Rs.50-60 Crores in that right now and going forward we will be developing that business, we believe that modular steel bridges in India does have a very good market and with the clarity in terms of management and ownership with the MTB who are continued to be a technology partner for us and we are under licensed with them, so we believe that there is another segment that should start contributing to our top and bottomline. So, thank you very much with these few words. I am most happy to take any questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Saurabh Jain from Sushil Finance. Please go ahead.

Saurabh Jain: Thank you for the opportunity and I believe everyone in the Titagarh family is doing well. Sir, I have few questions. Shall I ask one by one or shall I just put up all my questions altogether?

Umesh Chowdhary: Yes, you can put up your questions together and we will try our best to answer them together.

Saurabh Jain: Okay, fine, thanks. Sir my first question, is if you can throw some more light on tie up with ABB for propulsion systems for Indian Railways. What is the size of the opportunity and what could be the margins approximately and what would be our share of the business, also what is the opportunity for TWL as a sub-supplier for ABB and data as mentioned in the presentation that was my first question, Second is on the order book, we have now consolidated order book of around Rs.5,300 Crores, so this is executable over what period of time and when is the major portion of this likely to be recognized in revenues, what would be the average blended margin on this order book of Rs.5,300 Crores approximately if you could provide some range or something and what is the capex plan for the next two years now, do we need to invest in capacities for execution of these orders on hand, also since we are on the debt reduction regime can we expect the current debt of around Rs.750 Crores as the peak for the next two years and on the Italy front with TFA holding orders was almost Rs.2,800 Crores and we have seen in the last two years run rate has been like Rs.500 Crores for FY2019 and Rs.300 Crores for FY2020, so where do we see topline reaching in FY2021-FY2022. FY2021 would be majorly hit by COVID and lastly on the specialized equipments and bridges and ship building, although you have mentioned in your opening remarks that we had got some orders for bridges some Rs.50-60 Crores, but it has been quite a long we have not got any major breakthrough in ship building also, if you could throw some more colour on the prospects of these two segments and Sir lastly overall

looking at the current order book, enquiry base and all the coming opportunities in metro segment or other areas of interest and clubbing it with our experience, what are we targeting in terms of our topline and EBITDA margins over the next two to three years? That is all from my side Sir. Thank you.

Umesh Chowdhary:

Thank you very much. That was a very comprehensive set of questions. I will try my best to answer while being conscious of the fact that we cannot give you forward-looking numbers, so whichever questions of yours are in relation or resulting in forward-looking numbers I would apologize that I would not be able to answer them. I will come to the questions one by one. The ABB tie up is a strategic tie up wherein we have partnered with ABB for design and development of the EMU and MEMU traction converter for the propulsion, which is bought by the Indian Railways. Incidentally, our company also is the manufacturer of EMU and MEMU, but the railways primarily buy these from their own production units that are ICF, RCF and MCF. The overall business of this is quite high; the companies that are now supplying to the ICF, MCF and RCF are companies like Bombardier, BHEL, Medha, etc. We believe that this can be a segment that can give us at the peak revenue of decent size maybe Rs.300 Crores to Rs.400 Crores this product alone and we tie up with ABB that we are jointly developing the design and getting it approved and then they will be supplying us some part of the converter and the final converters are going to be manufactured by us in our plant in Kolkata. As regard the tie up with AnsaldoBreda is concerned it is not a sub-supplier agreement it is a technology agreement, some of you might have already read about the metro light, which has been announced by the Government of India, which is essentially LRV System or Tramway System. AnsaldoBreda has a proven design for those and we have taken sublicense with the right to buy those license over a period of time that gives us a head start and reduced cost of entry into the LRV segment, this is essentially an extension of our strategy of being in the metro coach segment. As regard to the capex plan as of now apart from the design development capex more or less the residual capex we have already in the last few years continued to upgrade our plant, we are now spending money in upgrading our Uttarpara plant to make it center of excellence for metro coach and propulsion production. The strategy is not to have a very large amount of capex because we already have I would say the glass 80% full, so whatever is required is going to be residual capex we do not envisage that we will need to draw external financing for that and we should be able to meet that with our own internal accruals. So therefore, there should be no massive fund raising required for the already existing capex plant for the existing plans of business. As regards to the debt reduction is concerned, I would request the debt to be bifurcated between the two jurisdictions, which is India and Europe maybe I will just request the CFO to answer.

Anil Kumar Agarwal:

Basically, the entire debt of the consolidated debt must be taken from the two side one is the India debt and second is the debt relating to TFA. As far as India debt is concerned if you might have noticed we have been able to reduce our debt quite substantially and as we have already informed in the previous investor call idea would be to make India as a debt free

company maybe by the end of March 2021, I am saying from the point of net debt we would like India to be a net debt free. As far as the debt relating to TFA is concerned, it will continue and based on the business plan, which we have thought for TFA we hope that we would be needing some more funds at the TFA level to support the working capital requirement. In terms of another question particularly the specialized equipment and ship building basically if you see in the past we have been able to book few orders, which we have successfully delivered, now we have participated in the various tenders relating to ship building as well as some defence equipment and some bridge related tenders the result of which has not yet come and we hope that very soon the result would be out and we would be able to get some contract for these two businesses. I believe we have been able to answer all your questions.

Saurabh Jain: Sir, order execution side, if you can just...

Anil Kumar Agarwal: If you had noticed that the current order book comprises of different business segments partly is from the wagon business and partly is from the transit business, so generally the order relating to the wagon business is executable over a period of 12 to 15 months, but in case of the orders for transit business these are normally executable over 30 to 36 months.

Saurabh Jain: What would be the average blended margin overall for this order book of Rs. 5,300 Crores?

Anil Kumar Agarwal: It would be in line with what we have been historically achieving, it is not that something will undergo a substantial change.

Saurabh Jain: So, 8%, 9% kind of EBITDA margin?

Anil Kumar Agarwal: We will not comment on that, but as I said historically whatever we have been able to achieve we would be trying to maintain that.

Saurabh Jain: Lastly on the TFA revenue run rate if you can just...

Umesh Chowdhary: As far as the Titagarh Firema run rate is concerned if you see in 2017 we did a revenue of about 110-115 million Euros after that we got caught up with legacy contract that we had taken up for execution, so we should be able to get back to that run rate pretty soon, this year of course is a little bit of an aberration, but still we will be able to register a much significant growth over the last year that is FY2020 and I think by FY2022 we should be able to get to the run rate of 100-150 million Euros a year.

Saurabh Jain: That is all from my side Sir and I wish all the best to the company.

Moderator: Thank you. The next question is from the line of Sriram Ramadoss from Green Portfolio SEBI Registered PMS. Please go ahead.

Sriram Ramadoss: Thank you for taking my question. In relation to our Italian subsidiary can you please tell us how many coaches may be metro or high-speed units have been delivered since the acquisition and how many have been delivered in the past year?

Umesh Chowdhary: Good afternoon. Since our acquisition in terms of the new coaches delivered I do not have the exact number of hand, but I am giving the order of magnitude, we have delivered about 150 EMU trains or EMU coaches to different customers since 2015 that we had acquired this includes double deck EMU coaches and single deck 160 kilometers per hour EMU coaches. In terms of the number of coaches delivered last year, last year primarily we were as I said executing legacy contract, which was for revamping old coaches, so very few new coaches were delivered, it was primarily contracts to revamp the old coaches that was executed last year.

Sriram Ramadoss: Thank you very much Sir, that answer was too explicit and second for clearer picture can you just tell me more about the alliance with Hitachi, this was mentioned in the presentation hence why I am asking?

Umesh Chowdhary: I beg your pardon if you could just repeat your question that was not clear.

Sriram Ramadoss: Just for clarity can you please tell us more about the alliance with Hitachi, the strategic alliance with Hitachi which you had mentioned in the presentation?

Umesh Chowdhary: What we are doing with Hitachi in Italy that we have certain tie ups with them for participating in tenders, we just won a tender in consortium with Hitachi and apart from that because they have huge workload as we have a very large facility, which is able to absorb additional workload we are taking certain percentage or we are dedicating certain percentage of our capacity as outsource contract manufacturing this is in order to provide stability of workload in our facility.

Sriram Ramadoss: Thank you very much.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much for the opportunity. I just wanted to understand in terms of your operations, by when you see your operations getting completely normalized in India as well as in the overseas operations.

Umesh Chowdhary: Are you referring to the COVID situation?

Deepak Poddar: Yes.

- Umesh Chowdhary:** By and large the operations have gotten regularized in both India and in Italy unless any further kind of disturbance I would say that by and large we have been able to normalize the operations in both the jurisdictions.
- Deepak Poddar:** Understood and so has there been any action taken in terms of cost rationalization, so if your revenue comes back will that benefit your margins in any ways, so any comments on that would be helpful?
- Umesh Chowdhary:** That is an ongoing exercise and we have continuously focused on rationalizing cost in India and in Italy, for example in Italy we had three plants, which we have consolidated, one we have already moved to the main plant in Caserta, the second we have already announced and by beginning of next year we will move the production of that also to a single plant, so all activities like that are going to consolidate costs, so that COVID or no COVID that is definitely one of the pillars of our strategy both for India and Italy in terms of efficiency improvement and cost rationalization.
- Deepak Poddar:** Is it possible for you to quantify or what sort of cost benefit are we looking at?
- Umesh Chowdhary:** It could not be possible for me to give an exact number to that because as I said it is an ongoing exercise, we believe that this is something which is to be done on an ongoing exercise, it is not a restructuring that we are doing, it is an ongoing cost optimization exercise that we are doing. In restructuring it would have been possible to quantify the number, but in an ongoing exercise it becomes difficult to give a number.
- Deepak Poddar:** Fair enough. That is, it from my side. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Shyam Sundar Sriram from Sundaram Mutual fund. Please go ahead.
- Shyam Sundar Sriram:** Good afternoon. Thank you very much for taking my question Sir. One question I wanted to ask you on the order flows, you did talk about new wagon orders one from Indian Railways worth Rs.500 Crores in September 2020, generally I wanted to understand in terms of the order flow for wagons this year, maybe May onwards how has been the order flow momentum been so if you compare with last year, we leave aside the period for which we shut April and May, which I am sure practically nothing would have happened, but after that how has the order flow momentum been in wagon at the overall level in terms of the order flow momentum if you can please comment on that?
- Umesh Chowdhary:** As I mentioned in my opening comments the private sector wagon demand is concerned it has been rather slow because people have been waiting and watching the situation unfold, so I would say that it has been much lower than what we would have liked it to be as far as the private sector wagon demand is concerned. As far as the railways is concerned, we were

able to get an order for about 1,800 wagons against the last year's tender, which got finalized somewhere last month, but we have over the last maybe few weeks seen good momentum in terms of enquiries, they have not yet converted into orders, but there is a momentum that is building up in terms of the enquiry, so we do believe that once the economic activity settles down there would be a good flow that should restart.

Shyam Sundar Sriram: For the full year from an overall order flow perspective in FY2021 that would still be around maybe 60% lower than what it was last year in FY2020 Sir and then recovery incrementally while the economy recovers that FY2022 can reverse to a normal level of order flow?

Umesh Chowdhary: It would be very speculative on my part to comment upon that because we do not know how the economic revival is going to take place, all I can say is that the product of the company is such that it is directly related to the economic activity in the country, so if the economic activity picks up faster, the demand for wagon has to pick up faster, so when these orders are going to get finalized is something that it would be speculative for me to comment at this point.

Shyam Sundar Sriram: This 1,800 wagon order that we have won that is the first order from Indian Railways is it?

Umesh Chowdhary: This is the last year tender, which was finalized recently. It got delayed due to the COVID and so on, recently just about a few weeks ago it has been finalized.

Shyam Sundar Sriram: Understood. Thank you, Sir.

Moderator: Thank you. The next question is from the line of Parvez Akhtar from Edelweiss Securities. Please go ahead.

Parvez Akhtar: Good afternoon Sir and thanks for taking my question. Couple of questions from my side, one obviously this year has been volatile largely because of COVID and the disruptions to the economy that the pandemic has caused, but going ahead and obviously execution on some of the major projects even the government has suffered, but in our assessment when could we see the wagon ordering for the dedicated freight corridor starting?

Umesh Chowdhary: As far as the DFC is concerned, our understanding is that by 2022 the DFC should get operationalized fully and we expect that the ordering for the wagons would start somewhere in calendar year 2021 middle, beginning or middle of 2021, the ordering for the DFC wagons should pick up momentum.

Parvez Akhtar: Just needed a couple of data points, one what could have been the wagon dispatch in the Indian entity in Q4?

- Umesh Chowdhary:** We will come back to you with the exact number of Q4 number of wagons, but it would be about above 1,000 wagons.
- Parvez Akhtar:** In our wagon order book in India what would be rough share of private sector wagons as of now?
- Umesh Chowdhary:** As of now the private sector in the order book you are saying right?
- Parvez Akhtar:** Order book.
- Umesh Chowdhary:** Most of the private sector wagon orders have been executed, the share of the wagon orders from private sector in our order book outstanding is very low, it is negligible I would say maybe single digit percent.
- Parvez Akhtar:** Thanks. That is, it from my side and all the best.
- Moderator:** Thank you. The next question is from the line of Amit Doshi from Care PMS. Please go ahead.
- Amit Doshi:** Thank you for the opportunity. Historically of course with this overseas acquisition that we have done for the last four to five years of experience, so overseas margins have generally been low compared to the Indian business margin, so you have mentioned in the presentation about improved margin kind of visibility sort of thing, so what makes differentiation or is it because of some new type of orders, new capability buildup that will allow us to generate a better margin or something else, so can you just throw something on that?
- Umesh Chowdhary:** Is your question relating to the Indian EBITDA margins or is it relating to the overseas or is it relating to consolidated?
- Amit Doshi:** More of overseas generally brought down our overall performance.
- Umesh Chowdhary:** Overseas when we acquired the company in 2015 one of the criteria of acquisition was that we inherited the legacy contracts, the old contracts of about 220 million Euros, of course one part of which we executed in beginning of the acquisition, which was profitable the balance contracts that we had were contracts that were as old as 12-15 years old, which had technological challenges, obsolescence challenges and of course price and cost challenges. The margins of those contracts were not positive in some cases they were quite onerous. Now we have come almost to a conclusion of those contracts so as we speak, our total order book including our new framework contracts that are outstanding maybe just less than 10% of that is the old contracts, so obviously in the newer contracts we are able to bid with better margins than what we inherited that is the reason why we get better visibility or more optimistic situation in terms of the margins. Having said that yes, your observation that the

margins generally in Europe are lesser than the margins in India, but that is purely the way the economic drivers work. So, comparing the margins in India where the cost of financing and so on is much higher compared to the European jurisdiction would not give you an apple-to-apple comparison.

Amit Doshi: This you plan to continue the debt of the overseas business, so what would be the rough average borrowing cost there of that overseas business?

Umesh Chowdhary: Ballpark of 3%.

Amit Doshi: This metro order that we have is it counted under the Indian order book or it is counted under the overseas order book because I think designing, etc., is being or I think the first batch is going to be produced there?

Umesh Chowdhary: It is the consortium order, bulk of it is considered under the Indian order book and about 20% of the orders are executed by Italy including the designing in the first three trains, which goes into the Italian order book.

Amit Doshi: Sir you mentioned about one of the participant asked about the capex you mentioned only the residual capex needs to be done for whatever that order book that we have on our hand as of now, so what could be the residual capex number, any rough number is fine, I am not looking at an exact number?

Umesh Chowdhary: I would say for all our different business segments combined anything between Rs.50 Crores to Rs.80 Crores. This is not going to be incurred in one year, so this is going to be required over a period to develop the business.

Amit Doshi: So over three year this executable order book period. The DFC opportunity you mentioned it will start next year probably mid next year, so what could be the size of that because DFC I believe is quite a big kind of an operation, so what kind of order or kind of size that we estimate of DFC opportunity that we see?

Umesh Chowdhary: The DFC opportunity there is no data to exactly quantify the size of the opportunity, the only thing which is clear that the opportunity can be very large because it is a transformational project and if you really look at the capex that the Indian Railways or the Indian Government has put in creation of the dedicated freight corridor, the only way that this payback that they can utilize or they can get from this capex is utilization of the capacity and for that they will require additional wagons, so for us the calculation of the business plan number in this work on that basis and not on the basis of the exact kind of any reports that have been officially or unofficially published by the railways.

- Amit Doshi:** Typically like you have this L1, L2, L3, the ratio of 22%, 18%, etc, so any sort of your expectation of that DFC kind of orders?
- Umesh Chowdhary:** Sorry, your voice was not clear; could you repeat your question?
- Amit Doshi:** Okay fine, I broadly got the idea. The last question from my side, we are having this lot of JVs whether with Matiere, whether with ABB, whether with Hitachi, so what sort of role is ours in all those JVs an executor or something else?
- Umesh Chowdhary:** These are not JVs; ABB is a strategic cooperation and the role we have is different wherein role of ABB is the designer and supplier of component and we are the final executor of the product. In the case of Matiere, it is again a technical license agreement no longer a JV wherein they provide us the design on a royalty and thy supplies components, so every cooperation agreement has a different model altogether and most of them are no longer JVs, they are cooperation agreements.
- Amit Doshi:** Thank you so much and wish you all the very best.
- Moderator:** Thank you. The next question is from the line of Brijesh Singh from Kokoro Investment. Please go ahead.
- Brijesh Singh:** Thank you Sir for giving the opportunity to ask the question. I want to know that if government is going for the privatization of railways, so what will be effect to Titagarh?
- Umesh Chowdhary:** As far as the privatization of the railways is concerned, it is opening up two opportunities for Titagarh, one is an opportunity as a potential operator of these trains, we are not yet certain about whether we would like to be an operator of course we have put in our EOI, but we are evaluating whether it could make economic sense for somebody like us to get into the operations of train, but the definite opportunity that we have for Titagarh is a larger market base, it is similar to wagon, earlier wagon was only purchased by the railways now with the private wagon operations came there are many customers or potential customers for wagons, so the same is going to be the story for the private train operations.
- Brijesh Singh:** Okay Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Sriram Ramadoss from Green Portfolio SEBI Registered PMS. Please go ahead.
- Sriram Ramadoss:** This is relation to the Italian unit's impairment, you said that there was an impairment of Rs.69.4 Crores and I just wanted to know what is the nature of this impairment because I believe we have a strong order book consisting of Catania and the Pune metro project, and so what is the particular nature of this impairment?

Anil Kumar Agarwal: This impairment testing has been done as per the requirement of the accounting standard Ind-AS requirement and wherein the value of the investment has to be done as per the accounting standard keeping into account the past losses, the future potentials and everything by applying proper discounting rate and all that, so based on the independent valuation carried out by an independent valuer, there was impairment of the value of the investment and accordingly the provision has been done in the books. Just to add further more or less this is equivalent to the losses that company had already incurred in the past, so basically while the impact was there on the standalone balance sheet, but on the consolidated balance sheet basically since the losses were already carried to the consolidated balance sheet, so there is no impact for this provision and it is a non-cash item.

Sriram Ramadoss: Thank you Sir. This is what I wanted to know.

Moderator: Thank you. The next question is from the line of Parul Sethia from ICICI Bank. Please go ahead.

Parul Sethia: Good evening Sir. I hope everyone, your staff and you are doing well. Sir, my small question is that what would be the market share as of now that is our wagons is having, the latest market share in the Indian Railways and wagon manufacturing?

Umesh Chowdhary: Thank you very much. We are all safe we hope the same for you. As regard the market share is concerned, Titagarh Wagon is definitely the market leader both in terms of the assessed capacity given by the RDSO and the production actually done also as far as the orders received, but we are in the tender oriented business wherein the exact market share keeps on fluctuating from tender to tender or from year to year, so therefore to give a exact market share is going to be a bit of a misnomer, but suffice to say that we definitely in terms of the RDSO capacity rating particularly in the merged entity of Titagarh and Cimco and in terms of the execution over the last year, we are the market leaders.

Parul Sethia: Thank you Sir.

Moderator: Thank you. We have one question from the line of Ankur, an Individual Investor. Please go ahead.

Ankur: My question is on the two metro projects, which were bid out Agra and Kanpur, I think we did not participate in that, can you please let us know the reason?

Anil Kumar Agarwal: There are lot of future metro projects, which we have targeted and accordingly we are working towards that so all the new metro tenders we would be participating.

Ankur: We were not ready for these two is it?

- Anil Kumar Agarwal:** Agra I believe it is not yet closed, so we would be targeting that and basically our role is only towards the supply of rolling stock not the entire metro project.
- Ankur:** In the next couple of periods we expect a lot of new metro tenders to be coming out?
- Umesh Chowdhary:** Yes, it would be, we expect a lot of new metro tenders would be coming out for supply of rolling stock and we are looking forward to participating in all those tenders.
- Ankur:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing remarks.
- Anil Kumar Agarwal:** Thanks to everyone for participating in this call and we hope that we have been able to provide the necessary clarification to all. The company is working very hard and in spite of this COVID situation, we have been able to normalize the operation both at India level and Italian level and we hope that the effort of the company would start paying result and good numbers will be delivered in near future. Thanks everyone.
- Moderator:** Thank you. On behalf of ICICI Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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Note: This transcript has been edited to improve readability



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