



Titagarh Wagons Limited
Q2 FY2020 Earnings Conference Call

November 07, 2019

Management:

Mr. Umesh Chowdhary – Vice Chairman & Managing Director

Mr. Anil Kumar Agarwal – Director of Finance

Mr. Saurav Singhania – Group Finance Controller

Hosted by



Moderator: Ladies and gentlemen, good day and welcome to the Titagarh Wagons Limited Q2 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 the 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 from ICICI Securities. Thank you, and over to you Sir!

Rushad Kapadia: Thank you. Good afternoon everybody and welcome to the Titagarh Wagons Q2 FY2020 Results Conference Call. We have with us from the management Mr. Umesh Chowdhary, Vice Chairman and Managing Director, Mr. Anil Kumar Agarwal, Director of Finance, and Mr. Saurav Singhanian, Group Finance Controller. I would like to handover the floor to the management. Thank you and over to you Sirs!

Umesh Chowdhary: Thank you. Good afternoon everybody and thank you very much for joining the Q2 FY2020 conference call.

As you can see from the results, the Q2 FY2020 has been in terms of performance have been a stable quarter compare to the Q1 numbers and as I had mentioned about a year and a year and a half ago that the focus that time was to build up an order book pipeline, which was the call for the day. Now as far as the company is concerned our focus is essentially on the freight wagon business to maintain this run rate or the consistency of the execution of the order. We have as on date orders to carry us on for the two to three quarters and the new tenders are under finalization from the railways although there has been a slight slowdown in the private wagon offtake over the last few months primarily driven by the economic slowdown in the steel industry. We believe that this temporary and the railways are already looking at policy modifications to again boost up the private wage off take very soon particularly the container offtake. So we would continue to focus on maintaining the execution pattern of the railway wagons.

On the other business, which is the metro business as I am sure most of you would be aware we got this breakthrough in terms of the Pune Metro contract and we have already started the execution work for that. The first part of the execution is happening essentially in Italy, in our Italian subsidiary, by way of the designing and the prototype of the first train. Simultaneously we have already started with the help of our Italian experts to setup the plant in India in one of our existing plants to upgrade that to produce the aluminum metro coaches in India. That is as far as the Indian operation is concerned.

On the Italian side, we have the major developments for the last couple of months have been that we have had a complete management overall in the sense a new CEO, new head of design, a new head of procurement, and project management have joined to reinforce the management team there. We have started recruiting a number of people in the design

department, which will be supporting both, the Italian contracts as well as the Indian existing Pune contract coupled with the new tenders that we are expecting to participate in. The execution of contracts that we had received in Italy will begin in the Q1 FY2021 so we will not see much of the revenues coming in from the contracts Sicilian metro contracts in the current financial year. However, from the Q1 FY2021 we will be most likely to experience a revenue upsurge in the Italian subsidiary. So this is the overview of both the Indian and Italian operations and I am most delighted to answer any questions that may be there and thank you once again for joining the conference call.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Prateek Giri from Bellwether Advisors. Please go ahead.

Prateek Giri: Good afternoon Umesh. Sir I just wanted to understand that have we got international suppliers for the wheel sets because of which we were delaying our dispatches?

Umesh Chowdhary: That is right. The formation for importing wheel sets was given about 45 days ago and we have already received our first consignment 10 days ago or about a week ago. So we have already started using the imported wheel sets for private wagon construction.

Prateek Giri: Sir from next quarter we can expect that this wagon manufacturing will take a significant jump from the existing level?

Umesh Chowdhary: As far as the private wagons are concerned yes we can say that the problem is solved, but as far as the Indian Railway wagons are concerned, we can say that supplies continue to remain a problem. We believe owing to the different discussions we have had with the railways that this problem will be solved from the month of December because the railways are importing axles. So our bulk of the order that we have with us is from the Indian Railways. The private wagon order is not so large so the supply position of the wheel sets and thereby our production levels for the Indian Railway wagons, which is now hovering between 280 to 320 wagons a month should be able to increase to about 450 to 500 wagons a month.

Prateek Giri: Sir even this Q3 will be subside is that a right assumption?

Umesh Chowdhary: Q3 will be I would not say it will be subside. It will be similar to Q1 and Q2.

Prateek Giri: Fair enough Sir. Sir secondly I just wanted to understand that off late we have been listening a lot about to private train operators where even IRCTC has given one route to operate on, so Sir I was just curious that if we can be a bit proactive in this opportunity and we can have some tie ups with global train operators like Virgin Trains and all and we can

supply the rolling stock to them so that we can at least protect some of our business shares for us?

Umesh Chowdhary: Absolutely so we are pretty much on the forefront as far as the passenger train operation is concerned. Thanks to our Italian subsidiary. We also have the technology that is available with us and of course the gauges that are prevalent in Europe and the gauges that are prevalent in India are different so there are no broad gauge train sets that are available anywhere in the world. It will have to be redesigned and introduced in India for the first time so we are very much in this market. We are very keenly observing this market and we shall be pursuing it when the opportunity comes.

Prateek Giri: Sir as of now we are not in talks with anybody as of now?

Umesh Chowdhary: In the sense of anybody from the technology perspective or are we are talking about operators?

Prateek Giri: Operator

Umesh Chowdhary: We will be operator agnostic. We do not want to tie up with any one operator because there would be many operators that will be prevalent in India and we do not want to be identified with one operator. Also, we do not want to become operators ourselves. We would be open to selling our rolling stock and trains to any operator that is operating in the market.

Prateek Giri: Got it Sir. I was not asking to be an operator Sir, but fair enough. I got your point. Sir secondly if we see why is there so much delay from Indian Railways on the residual number of wagons, which were to be finalized I guess two months back?

Umesh Chowdhary: It was not to be finalized two months back. It was tendered in August. The technical bid submission and the prime bid submission happened in August and the reverse auction of the price opening is going on and we hope that the order finalization should happen before December.

Prateek Giri: Getting it Sir. Thank you..

Moderator: The next question is from the line of Aarsh Desai from Vallum Capital. Please go ahead.

Aarsh Desai: Sir my question was with regards to the change in GST rates in wagons. How much working capital benefit do we get because of that change in the GST rates? That was my first question. My second question was with regards to our debt reduction plan, how should we look at debt for Titagarh? My third question was with regards to our Italian subsidiary, when you say our revenues should start kicking in from next year how much of it should we assume to be executed next year and at what sort of margin?

- Umesh Chowdhary:** The first question is on the GST, so as far as GST is concerned we were accumulating almost 7% GST credit before the rate revision. On a ballpark it was almost between 5-7% of the sale price for getting accumulated as unabsorbed credit on account of GST. With this revision of GST rate, which is also increasing some of our input GST rates, this accumulation shall stop and a very small quantity or a small amount of the accumulation is also getting utilized. We are utilizing the balance of the GST on the other products that we are doing so over a period of time, the accumulated GST shall get utilized, but what is most important is new accumulation has stopped and that is to the quantum of almost 5-7% of our sales. The second part is on the debt reduction so if we look at the India operations or let us look at the Indian and the Indian subsidiary operations we have a long term debt of approximately Rs.250 Crores and the rest is working capital debt of about Rs.100 odd Crores. This Rs.250 Crores includes the debt that we have in our subsidiary Cimico and the subsidiary in Singapore but excludes the Italian subsidiary that is the operating subsidiary. Our whole target is that which is an accumulation of GST credit getting stopped so we expect that in the next two to three years time the long term debt in India we should be able to extinguish and the working capital of course is something that will continue based on the working capital cycle. As far as the Italian subsidiary is concerned next year the production is going to start, but in a passenger train whole production cycle is much longer than a freight wagon, so the production on the Sicilian Metro will start from Q1 of 2021, but the real revenue booking will begin from the end of last quarter of 2021. So we expect that the contract value is about €200 million and this will be executed over about three to four years. A very small part of that will be about 15-to 20% will be executed next year and the rest will be over the next two to three years on an equated basis.
- Aarsh Desai:** So then we will not breakeven next time on Italian city because we do not have any other contracts pending am I correct?
- Umesh Chowdhary:** We do have other contracts pending. This is the bulk contract and you could see in the first two quarters in the Italian subsidiary, on EBITDA level we have been positive and on the cash level we have almost been on breakeven.
- Aarsh Desai:** Sir for next how should this look like? Next year it should look similar?
- Umesh Chowdhary:** Yes. Next year should look similar or may be slightly better because some part of the **Sicilian** Metro will come in.
- Aarsh Desai:** Alright Sir thank you.
- Moderator:** Thank you. The next question is from the line of Kunal Seth from B&K Securities. Please go ahead.

- Kunal Seth:** Good afternoon Sir. Thank you for the opportunity. Sir I just needed on clarification on wheels that you said that so for private wagons you have been allowed to import wheel sets, but the imported wheel sets are as of now not allowed for Indian Railways is it?
- Umesh Chowdhary:** That is right. Indian Railways we have to use the wheel sets supplied by the Rail Wheel Factory only.
- Kunal Seth:** You were saying that by this December this problem will get solved so you mentioned that they will import wheel sets?
- Umesh Chowdhary:** The problem with Rail Wheel Factory is lack of actual production capacity. They have sufficient wheels manufacturing and wheel set of every capacity. We have been informed by Rail Wheel Factory that they will be getting bulk consignments or shipments of the axles that they are importing so they will be able to increase the wheel set supplies from December.
- Kunal Seth:** Sure. Thank you so much. Best of luck.
- Moderator:** Thank you. The next question is from the line of Amit Doshi from Care PMS. Please go ahead.
- Amit Doshi:** Good afternoon. Sir on the earlier persons question just as followup of that and he asked also about the margins of the Italian or overseas orders being executed? Can you share some thoughts on that?
- Umesh Chowdhary:** On the Italian orders the blended margin on an EBITDA basis on the different contracts that we have are about 7- 8%. That is the trend in the European market, so if you look at any of the competition so the whole loss making orders have been executed. The new orders that we are getting including the current ones they are all at around 7-8% EBITDA margins.
- Amit Doshi:** That all is likely to start only from the next year 2020-2021?
- Umesh Chowdhary:** Q1 that is right.
- Amit Doshi:** So this is similar to what is we achieve in the margins of wagons business out here? We are also approximately in the range of 8% to 10%?
- Umesh Chowdhary:** That is right.
- Amit Doshi:** Did we see any contraction in the domestic business on the margin front owing to his new bidding or the auction process that the railways started or that is okay this is the kind of margin that you expected?

- Umesh Chowdhary:** The level of margin historically used to be higher in the wagon business, but over the last five to six years in fact the margins had shrunk to very, very low amounts, which was a factor of both aggressive bidding by some new entrant, but also low volumes. So our policy, which I had shared about a year and a half ago, is that we were producing wagons in three plants. We are effectively concentrated doing that in one plant so we have shrunk our overheads and increased efficiency on one side and we have ourselves been gaining market share and trying to run our plants full capacity and absorb our overheads better. With that we have been able to get about 8-9% of EBITDA margins and I believe that is a sustainable level of EBITDA margin in our industry.
- Amit Doshi:** Even if there is an increase in new orders from railways do you expect it to improve or it will likely be remain at the same levels considering the economies of large scale benefit?
- Umesh Chowdhary:** On the economy of scale I do not see that there will be much of a change because we have already been able to utilize that, but of course if the demand picks up, which we believe that should pick up with the DFCs then obviously it is demand supply gap of scenario and there should be a possibility to get some higher margins.
- Amit Doshi:** Last question on the metro when is it likely to start? I know this say that it will start over the 160 weeks and 78 weeks is which you were supposed to deliver, but when is it likely to start?
- Umesh Chowdhary:** The production is likely to as I said the first three trains will be done in Italy and that production will start somewhere middle of 2020, but the Indian production will start from the fourth train onwards, which will be in 2021.
- Amit Doshi:** What would be the capex for that one?
- Umesh Chowdhary:** We are not going to incur a large capex. There will be no fresh borrowing or capital requirement for that. It will be essentially out of the internal accruals and we are utilizing our existing facility, which we already have in our EMU and MEMU production plant to set up the metro coach manufacturing also.
- Amit Doshi:** In the presentation that has been just uploaded a few minutes back there is a mention about the reduction of debt how do we plan to reduce the debt when our cash flows are not so strong and in fact this metro projects and all other big projects are likely to come up in the next couple of years?
- Umesh Chowdhary:** As I had mentioned to our friend a few minutes ago if we look at the entire balance sheet excluding the Italian operating subsidiary including our Indian subsidiary, which is Cimmco, which is a scheme is pending for merging that into Titagarh. The total long term debt is about Rs.250 Crores. The entire debt stands to be repaid out of internal accruals. A

the cash blockage on account of GST, which is dropping, which will give us additional cash flow and as far as the new metro contract is concerned the funding is going to be done in A by the advance that is received and B by the working capital limit so the strategy is not extinguish the working capital limit because that is always going to be required for the business purposes, but the term loans the long term debt is something that we are focusing to extinguish over the next two to three years.

- Amit Doshi:** Over the next two to three years. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Renjith Sivaram from ICICI Securities. Please go ahead.
- Renjith Sivaram:** Congrats on good set of numbers. Sir this order book you had mentioned in your presentation it is at Rs.5,000 Crores so of that Rs.1,000 Crores is pertaining to the metro so if you can give the breakup of the remaining Rs.4,000 Crores how much is IR, how much is private and how much is from the subsidiary?
- Umesh Chowdhary:** I will request our Director of Finance, Anil to give you the breakup.
- Anil Kumar Agarwal:** For TSV we have an order book of roughly around Rs.2,300 Crores and the wagon business we have almost like including Titagarh and Cimmco we have almost like Rs.1,500 Crores. Metro is around Rs.1,100 Crores and the balance is from EMU, MEMU, loco sail, part of ship building and all that.
- Renjith Sivaram:** So this Rs.2,300 Crores is pertaining to the Italian?
- Anil Kumar Agarwal:** Yes.
- Renjith Sivaram:** AFR what is the outlook there?
- Umesh Chowdhary:** AFR it was already transferred to a new buyer in the last quarter itself, so AFR ceases to be subsidiary.
- Renjith Sivaram:** There was this developmental order for some propulsion system a Rs.100 Crores, which we had mentioned so what is the status of that?
- Umesh Chowdhary:** It is under the designing and the prototype is likely to be ready by the end of 2020.
- Renjith Sivaram:** These propulsion systems will be deployed in metro or is it for the normal Indian Railway coaches?
- Umesh Chowdhary:** Normal Indian Railway coaches. Of course our plan is that we would like to graduate in India to do the metro propulsion also, but that is going take some time.

- Renjith Sivaram:** This will be completely manufactured in India using the technology from Italy?
- Umesh Chowdhary:** The prototype of all these items in the transit business, engineering, design and prototyping will be done in Italy and then the transfer of technology shall happen to India for production into India.
- Umesh Chowdhary:** The entire amount was written off in our March balance sheet. There was a write off of about Rs.100 Crores, which was already factored in our March balance sheet.
- Renjith Sivaram:** That is the shut, done and dusted case? There is nothing more liability in that AFR?
- Umesh Chowdhary:** There is a corporate guarantee, which is existing, which has for €3 million. That amount is not yet crystallized because of that amount is covered under the corporate guarantee is likely to be realized by the banks through the sale to seeds of the assets, etc., and whatever is our residual amount will fall back on Titagarh so beyond that everything else has been done and dusted with.
- Renjith Sivaram:** What will be kind of revenue target for the Italian company for this year and next year?
- Umesh Chowdhary:** This year is going to be in the ballpark of last year's revenue and next year it is going to be slight improvement, but then the execution as I said for the orders that we have in hand will start from end of calendar year 2020, so that is when the revenues should pick up, so we would be in the ball park of €40 million to €50 million this and the next year. Next year should be better and then it should be picking up from thereafter.
- Renjith Sivaram:** Sir is there other metro projects that we will be eyeing or we will first try to consolidate this position and complete this and then start participating in new tenders? What will be our strategy in that?
- Umesh Chowdhary:** Absolutely we would be continuing to participate in new tenders.
- Renjith Sivaram:** Sir thank you and all the very best.
- Moderator:** Thank you. The next question is from the line of Parvez Qazi from Edelweiss. Please go ahead.
- Parvez Qazi:** Good afternoon. A couple of questions from my side what would be the order book in Cimmco currently?
- Umesh Chowdhary:** Order book in Cimmco is about Rs.220 Crores.
- Parvez Qazi:** This will be largely only wagon order book right?

- Umesh Chowdhary:** Wagon and loco shells.
- Parvez Qazi:** Also in terms of your wagon dispatch can we get the numbers for this quarter for TWL, standalone and Cimmco?
- Anil Kumar Agarwal:** The total quantity of wagons, in fact in Titagarh is around 850 wagons and in Cimmco it has been around 250 wagons both on private and in Indian Railways.
- Parvez Qazi:** Sir how does our bid pipeline look at in which areas are we targeting any future orders?
- Umesh Chowdhary:** Of course on the wagon side we are continuing to target new tenders that are there and we will be participating in ne metro bids as well and we are intending to target to bag another metro project over the next 12 months.
- Parvez Qazi:** Sure thanks. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Prateek Giri from Bellwether Advisors. Please go ahead.
- Prateek Giri:** In one of your nearest competitors in his recent concall said that some of the large container train operators or even freight train operators globally are eying on Indian market because of the recent policy, which was made favorable for them, so I just like to get your thoughts on the same? Are we seeing any enquiry from any of large global CTO or freight train operators?
- Umesh Chowdhary:** All global and large CTOs and freight train operators are already present in India and they are already performing in India and of course there has been a good off take of wagons over the last few months from them. It is only in the last couple of months that there has been a slight slowdown, but as I mentioned that in our opinion this was temporary and we expect that within the next few months if not few weeks things and their enquiries should come back again.
- Prateek Giri:** Fair enough Sir. Sir any number you can put up to this demand in terms of number of wagon? What can be the potential demand in the next five years or so?
- Umesh Chowdhary:** If you look at the Indian Railways, it is one of the top four railway network, but if you look at the total wagons available with Indian Railway network compared to countries like America, China or Russia we are not even at one fourth level. So the potentials are very high. Now we need to see how this whole thing spans out. I believe that there will be a quantum shift once the DFC starts operation, but then we will need to see how the whole thing unfolds.

- Prateek Giri:** Fair enough Sir. Sir I would like to get your views on our shipbuilding segment because last two to three quarters have not been that good for us after the NIUP dispatch probably we have not dispatched anything significant apart from local orders of Kolkata Government I guess. How are you seeing this segment Sir and if we see the order book of Kochi Shipyard even be it smaller orders they keep winning here and there of Rs.250 Crores or Rs.300 Crores. So is it not the time that we enter in some JV with one of the leaders and keep getting ancillary business even?
- Umesh Chowdhary:** We are already working on ancillary business for the shipyard and we are very, very selective in the kind of ships that we are bidding for so we are not bidding for very high working capital intensive ships or very large vessels. Essentially we are only going for high technology vessels and that means it is Coast Guard, Navy, NIOT like that. There are some tenders that are likely to come out in the next few months and we will be focusing on that while we are definitely looking at partnering with large CPRs like GRSC for doing some ancillarisation work for them.
- Prateek Giri:** Fair enough Sir. Sir what kind of ships are we targeting or what that particular technology or you are looking at in the orders or what would be the market size of this kind of particular segment which we are looking at on annual basis?
- Umesh Chowdhary:** We are looking at vessels of up to 100 meters to 120 meters and not larger than that and essentially, which are from institutional customers. We do not want to get into cargo vessels where sometimes the working capital can become a big challenge.
- Prateek Giri:** Fair enough Sir. Sir I just wanted to extend my thanks for a very helpful presentation, which you have uploaded and I am very sure about the bright future of our company. Thanks a lot Sir.
- Moderator:** Thank you. The next question is from the line of Nishit Shah from Aequitas Investment. Please go ahead.
- Nishit Shah:** Congratulations on a good set of numbers. Most of my questions are answered. Thank you.
- Moderator:** Thank you. The next question is from the line of Agastya Dave from CAO Capital. Please go ahead.
- Agastya Dave:** Thank you for the opportunity. Sir what is the progress of DFC? When is the most likely commissioning going to be and I have seen videos of trial runs happening on both East and West DFC so what are you hearing about it and second when do you expect those orders to come in?

- Umesh Chowdhary:** We understand that the DFC should start in phases getting operational from 2020, but in projects of this magnitude a few months here and there is not surprising. We understand that the wagon procurement for the DFC, which I again what we are told will begin from March/ April of 2020 and they will be required to be operational from the end of 2020.
- Agastya Dave:** Sir do we have the capacity to cater to that because from what I understand our existing order book would last till probably June at least and then I heard the interview that you gave on one of the channels and you were saying that there is another 6,000 odd wagon order, which is due by December most likely and then if the DFC and all comes in because I believe that would really big because they start with zero right so for them those many wagons fully operational do we be looking at a large capex next year?
- Umesh Chowdhary:** Our capacity that we have is quite substantial. In fact our facility in Cimmco is grossly underutilized and we have streamlined our production in Kolkata in itself to produce more than 500 wagons a month so I do not see that the capacity is going to be a constraint either for the existing Indian Railway or private or DFC orders. To answer you, we would not require much capex.
- Agastya Dave:** One final question Sir on the same thing so when the DFC wagons order come in do you expect lower competition there?
- Umesh Chowdhary:** I would be very speculative for me to answer that. We will have wait and watch what happens and what the competitors do.
- Agastya Dave:** Thank you Sir. Good luck for the next quarter.
- Moderator:** Thank you. The next question is from the line of Ankur Chhadha an Individual Investor. Please go ahead.
- Ankur Chhadha:** I have a question that our blended cost for capital worked out to be around 9% to 10% given our Italian subsidiary be it in Europe and that cost of capital and cost of debt being very low, can you not raise money in Europe and then transfer it to India and then bring down the cost of debt that is my question?
- Umesh Chowdhary:** I am sorry. I could not really get it. You are to raise money in our Italian subsidiary and transfer that to India.
- Ankur Chhadha:** Yes to bring down the cost of debt because our blended cost of debt was found to be around 9% to 10% currently on a consolidated basis?
- Umesh Chowdhary:** If we do that then we are taking the exchange rates at a risk and if we hedge that then the cost of capital or the cost of debt would eventually workout to be the same apart from I do not know about the regulatory issues.

- Ankur Chhadha:** Without hedging let Italian subsidiary pay that over a longer period of time may be?
- Umesh Chowdhary:** We hear you. Maybe we can evaluate that and have a look at it. We have not really considered this option till now.
- Ankur Chhadha:** Sir the next question is on the propulsion technology for the Pune Metro order is the propulsion technology is ours or we will be buying the electrical propulsion from an outside vendor?
- Umesh Chowdhary:** It is a mixed bag. For some of the contracts we are buying propulsion and some of them we are using our own technology.
- Ankur Chhadha:** Sir, final question in terms of the future orders that we expect to receive in the metro business in India and for the Italian subsidiary worldwide? Can we you please give us the prospects and what sort of numbers can we expect in the next 12 to 24 months please?
- Umesh Chowdhary:** Did I understand correctly that you are asking about the market prospects and the order booking prospects.
- Ankur Chhadha:** Yes Sir for the metro business in India and globally?
- Umesh Chowdhary:** Well in India we already know that there are about 50 metro projects that have been announced by the government and in how many you take off in the next 12-24 months is to be seen, but in any case we are one amongst the four Indian companies that are qualified to do the metro coaches, so the prospects seem to be quite large. As far as Europe is concerned again if you look at the number of project that are going on and the increasing focus on the rail the mode of transport due to the environment concerns, the total market size is very large. We are focusing primarily on Italian and some other country market from the Italian subsidiaries to start with. In the next 12-24 months, we will focus in Italy and not to go to all the regions of Europe, but to be restricted on certain countries within Europe and within Africa.
- Ankur Chhadha:** Thank you Sir and all the very best. We have very high hopes from you and from Titagarh Wagons. Wish you the best.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management for their closing comments.
- Umesh Chowdhary:** Thank you very much for the detailed and insightful questions. Some of them were very suggestive and we have taken notes of that and we shall be working on the same. As far as the projections or the future numbers that I have given they are all our current estimates and of course we are not giving them as projection per se, but it is only for sharing our broad plan. We do see that both the transit and the freight business in India particularly and

also in Italy the transit business have a good market prospect at this point of time and we are in a good position to be able to write this positive way. Thank you again for all the support to all of you and we hope that we should be able to capitalize on the opportunities that present in this sector in the future.

Moderator:

Thank you members of the management team. Ladies and gentlemen, on behalf of ICICI Securities that concludes today's conference. Thank you for joining us and you may now disconnect your line. Thank you.

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Note: This transcript has been edited to improve readability



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