"Titagarh Rail Systems Limited
Q1 & FY '27 Earnings Conference Call"
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Moderator: Ladies and gentlemen, good day, and welcome to Titagarh Rail Systems Limited Q1 and FY27 Earnings Conference Call. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Umesh Chowdhary, Vice Chairman and Managing Director, Titagarh Rail Systems Limited. Thank you, and over to you, sir.

Umesh Chowdhary: Very good afternoon and thank you for joining the Q1 FY27 earnings call. I am joined by Mr. Prithish Chowdhary, the Deputy Managing Director; Mr. Anil Agarwal, Deputy Managing Director; Mr. Saurav Singhania, the CFO and the team. I would like Mr. Prithish Chowdhary to give an overview of the developments during the quarter, and of course, after which we'd be very happy to take any questions that may be there. Prithish.

Prithish Chowdhary: Good evening everybody and thank you for logging in to the Q1 investor call. So, before we start, I'd like to share some key updates and key highlights of the quarter. Firstly, we're happy to share that the Q1 was the highest share of the revenue for the PRS vertical, meaning the Passenger Rail System vertical for the company.

In the Q1, the PRS contributed almost 31% or 31% share of the revenue, with more than 30 coaches dispatched in the first quarter, which for the company is a milestone, is a historic milestone. In terms of wagon dispatches, the number was at 1,284 wagons, which was a little bit muted, as a conscious call. This is largely on account of the wagon order book currently standing at an orders of 5,300 wagons.

And while we await for a larger tender to be announced from the Indian Railways, and while the company actively pursues orders from the private sector, we aim to manufacture anywhere between 600 to 650 wagons per month until such time that there is a clarity from the Indian Railways on a larger tender for freight wagons. At the end of the quarter, the total order book for the company stands at INR26,635 crores, including the company's share of JV orders.

The TRSL order book as a standalone is INR13,335 crores, with INR10,395 crores coming in from Passenger Rail Systems and INR2,470 crores coming in from Freight Rail Systems. This is also to highlight the growth of the PRS business for the company over the coming quarters.

We intend to increase the coach production to 45 to 50 coaches per quarter in this financial year and then further, as the company has stated multiple times, by 2028-2029 to establish a total production capacity of 850 coaches plus per annum, for which the company has a healthy order book supporting these plans for growth.

With this, I think we can close the major business updates for the quarter and open it up for questions. Thank you.

Moderator: Thank you very much. Sorry sir, go ahead.

Umesh Chowdhary: We are happy to take questions now.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.

Rajesh Bhandari: Sir, good afternoon and good evening, sir. Hello, can you hear me, sir?

Moderator: Yes, sir. Go ahead, you're audible.

Rajesh Bhandari: Yes, sir. Sir. In fact, if I'm not wrong, the best, probably the pure railway company is Titagarh Rail. We have lot of orders also. But somehow I find that these orders are not fructifying on the ground. Sir, your turnover isn't increasing. What's the reason for that, Sir?

Management: So, sir, thank you very much for your observation about Titagarh and your second observation is on data, very, very accurate, but one has to see it from the perspective of the quality of the order book and of the business plan. So, as was highlighted by Prithish that 80% of our standalone order book today is relating to the Passenger Rail System, which is a new business that the company has entered into.

And quarter-on-quarter, we have registered a very healthy growth. If you look at actually on a year-on-year basis, the increase for the coach dispatch as has been given in the presentation also, it is on a year-to-year basis, it has increased by almost 400% and a quarter-to-quarter by 43%.

Even in terms of the revenue of the PRS, from the last quarter which was INR130-odd crores, we are INR170 crores, we are now at INR230 crores. And it is going to now register a quarter-on-quarter growth every quarter as we go ahead. So, amongst the order book, we have 2 types of orders.

One is the Vande Bharat order, which is going to be supplied over a period of the next 5 years, and the Metro orders, which is going to be supplied over the period of the next 2 years.

So, if you refer to the strategic plan that was published by the company last year, about 6 or 8 months ago, or maybe a year ago, the overall growth and the execution plan of the existing order has been given therein, and we are very confident to be able to meet with that execution or ramp-up plan, barring maybe some like in the last year there was some postponement in one quarter or so, but barring that, we are very confident of being able to ramp up the passenger rail business.

So, to sum it up, there are 2 business segments that we have. One is the Freight Rail segment, one is the Passenger Rail segment, and both need to be evaluated individually. On the Passenger -- on the Freight Rail segment, we have a capacity to produce 1,000 wagons per month. We have deliberately now kept it a little scaled down because of the new order visibility, which we are hoping to get in the next few months.

Till we have that order visibility, we would like to downscale the operation to around 600, 650 wagons so that the overhead absorption can be kept in a equal manner. As far as the Passenger Rail System is concerned, the ramp-up is going to be steep and quarter-on-quarter, we should be able to see a very healthy growth going forward.

Rajesh Bhandari: Well, sir, a sir just told me, 850 cars per annum for the Passenger Railway. Did I hear right, sir?

Management: Yes, it is there in the strategic plan also, sir, that by 2029...

Rajesh Bhandari: By which year, sir?

Management: 2029-2030, We are creating a capacity of 850 trains, with Metro, Vande Bharat, Commuter.

Rajesh Bhandari: All together. Because each car is going to cost around approximately INR10 crores. So we can expect by...

Management: The total cost of a car is INR10 crores. When we are supplying Vande Bharat, it is in consortium, so about only 51% of the car value comes to us for the current contract. For the future, we will see whether we are still go in consortiums or we go by ourselves.

Rajesh Bhandari: Okay. And for Vande Bharat okay, for other Metro cars. What is our share, sir? 100%?

Management: Yes, that's right. Metro cars we participate ourselves. We don't go in consortium.

Rajesh Bhandari: So by 2029-2030, we can expect that we will have a turnover of approximately maybe around three times?

Management: Sir, the capacity that we have, if you refer to the strategic plan, it will be visible there. We have given it out in public domain that the total capacity-wise, the company is going to have a capacity to do 850 cars, which gets translated INR8,500 crores of potential revenue, and the freight is going to be 12,000, which is a potential revenue of INR4,000, INR4,500 crores. So that is the capacity that we are building.

Execution of that is also dependent on receipt of orders and other factors. So we would not like to give any forward-looking statement here by saying that this is the revenue that is likely to be or not likely to be. But what we are saying is that this is the overall capacity, the business potential from the company that we are generating to be ready within 2029 or 2030.

Moderator: Thank you. Next question is from the line of Koundinya Nimmagadda from Jefferies. Please go ahead.

Koundinya Nimmagadda: I hope I'm audible. Sir, my first question is on the FRS segment, right? Obviously, we did hear you that you scale -- it's a calibrated scale on the wagon side. What I'm trying to understand here is that this 5,300-odd wagons that you have in your order book, I mean, at least from the presentation, our understanding is that you will have to execute it this year. God forbid, if you do not get a new order flow, that 1 lakh wagon kind of whatever we are hearing, right? If it does not happen, do you intend to slow it down further? If so, are there any penalties which the company may need to incur? That's my first question.

Management: Very clear. But -- so there is no plan to scale it down even further because this plan has been done on the basis of the delivery commitments that we have. In fact, there is -- with this plan of production of about 600-odd wagons, we would be maybe a couple of months ahead of the delivery schedule of most of the orders, but not much. So the possibility of scaling this down should not be very significant. As far as new orders are concerned, we are now aggressively going and booking private orders also alongside with hoping for the new wagon tender to come out.

Koundinya Nimmagadda: Sir, anything that you're hearing on the new wagon tender, because I think that's been the news for some time now, and we were also optimistic that it could happen any time in third quarter or so. Any color on that? Has it been pushed out? Or is it on track?

Management: So in the government machinery, things do take time, as we all know. And unfortunately, the last few months have been months where the priority overall have shifted because of the Middle East war and all of those extraneous factors. So I have always maintained that if you look at the overall macroeconomics of the railways, the requirement of the wagon can be deferred, but deferred by a few months or a couple of quarters, but not dropped.

The railways continue to have their target of going to 3 billion tons of freight movement. They are currently at half of that. So it's a very simple arithmetic that if they have to double up their freight movement, they cannot do it with the same number of wagons.

Koundinya Nimmagadda: That's clear, sir. Sir, my second question is on the PRS segment. So, 2 parts to it. One, is there any change to that 200-odd coaches that you were targeting that guidance? Is it still intact? Or is there some change? And within that, if you can briefly comment on the key metro projects, Bangalore, Gujarat and Mumbai projects or things on track? Do you see any delays either for things that you can control or you cannot control? Are there -- if you can comment on that, please?

Management: So the target remains intact. There is no shift in the target that we have. We had mentioned in the last call also that 10%-plus/minus, we should be able to achieve the target fully. As far as the projects that we are focusing on now, we are intending to complete Bangalore and Gujarat first and get on to the prototyping of Mumbai.

Koundinya Nimmagadda: Sure, sir. Any tentative timelines that you could indicate to us on when do we expect Gujarat to complete and when do we expect Mumbai to start? Because -- and also on Mumbai, there were some news flows of project potential delays on the civil work side. Would that in which way impact our execution?

Management: No, that does not impact our execution. In infrastructure projects, 2 or 3 months delays are not significant. They are there is enough buffer to keep coaches also in between. As far as timelines is concerned, bulk of the Bangalore and Gujarat will be over within this financial year, maybe spilling over a little bit to the first quarter of the next financial year. And the prototype of Mumbai will start simultaneously. It will not be subsequential, but it will be parallel.

Koundinya Nimmagadda: Sure, sir. If I may ask one last question. What -- how are the things panning out with respect to your backward integration/technology upgradation on the propulsion system side? If you can maybe speak a little bit about those plans.

Management: So that is also going on fully well. We've already supplied 2 rakes of propulsion equipment for EMU. We are now planning to supply the propulsion sets for MEMU, which should be done within the end of this quarter or beginning of next quarter. So that's a plan which is very well on track.

Koundinya Nimmagadda: Got it sir. Thank you very much and all the best.

Moderator: Thank you. Next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: Hi thanks for taking my question. So continuing on with the previous participant, you indicated that we will target to complete bulk of the Gujarat Metro order in this year with maybe some portion to be done early next year. Did I get that right?

Management: That's right, Parvez. Yes, absolutely.

Parvez Qazi: Sure. And by when do we expect to supply the prototype for Mumbai Metro?

Management: It should be done in Q1 -- sorry, Q4 of this financial year, Q1 of calendar year next year.

Parvez Qazi: Sure. And will the Vande Bharat prototype also follow a similar timeline, Q4 '27?

Management: That's right. Within the same timelines, we will be giving the Vande Bharat first train also. End of this calendar year, that is end of this third quarter and beginning of fourth quarter, between that.

Parvez Qazi: Sure. And lastly, what about the Pune Metro? By when do we -- do we need to supply a prototype there? Or is it because it's an extension of an earlier order, we can just start with series production straight away?

Management: So Pune Metro, I think it's a very relevant question that you raised, Parvez. So maybe I'll speak a few words about the Pune Metro. So this is an extension order. We don't need to do prototypes again, but this is an aluminium metro as we have already -- as you are already aware, most of the investors are already aware.

In the past, Pune Metro that we executed, the first 34 trains that we have supplied, we used to bring in the subassemblies or the flat packs from our associate in Italy. This time, we have already acquired all the machines, which are now under the different stages of installation and commissioning so that we are fully independent and self-sufficient to make the complete coach right from the extrusion up to the final coach. Earlier, the subassemblies were made by Firema.

Now we will be making those subassemblies very well -- very much in India. This will give us 2 things. One is, of course, we will be able to become self-reliant in the Pune Metro production line, but we'll also set up our facility for aluminium coaches for the upcoming projects, particularly projects like the bullet train, which is -- which has to be of aluminium.

And while we are the only company in India, which has done aluminium coaches in India, but the backward integration of the manufacturing with this coach will also get established with this line. We are expecting that this production line will be fully commissioned by Q1 of next financial year.

And the delivery schedule of these 12 trains is Q3 or Q4 of next financial year. So even maybe before that, we will be able to deliver those trains and also be ready to produce aluminium trains in general, end to end.

Parvez Qazi: Sure. And last question on our shipbuilding side, I mean, what are our plans there? I saw your interview where you were saying that we are making progress on the construction part. So, some update on that would be useful.

Management: Parvez, I lost your voice. Can you repeat the question?

Parvez Qazi: I was asking about some update on our shipbuilding venture where we are expanding our capacity. So, some perspective on that would be great.

Management: So on the shipbuilding, as you are aware, we have hived off the shipbuilding division to a wholly-owned subsidiary which is called Titagarh Naval Systems Limited. And the new shipyard that has to come up in Falta is started, the work has started on the ground.

We have appointed a managing director and CEO for this project, a person who comes with extensive knowledge and background, Commodore Hemant Khatri. He was the Chairman Managing Director of Hindustan Shipyard before. And the plan is that in -- between the Q1 of next financial year or Q2 of next financial year, the shipyard would be fully up and running.

Parvez Qazi: Sure. Thanks and all the best, please.

Management: Thank you, Parvez.

Moderator: Thank you. Next question is from the line of Naveen Sahadev from ICICI Securities. Please go ahead.

Naveen Sahadev: Yeah, good evening, sir. Am I audible? Hello?

Management: Yes. absolutely.

Naveen Sahadev: Right. Thank you. Thank you for the opportunity. Sir, my first question was on the recent cancellation of the MRVC tender altogether. So just to understand, does it anyway risk the total addressable market for us, because that project now, Indian Railway says, is to be done in-house versus the tender system or to private manufacturers in the past? So, I mean, that was the plan earlier.

So just wanted to understand that, is it in a way risks the total addressable market or the way to look at it is that since Indian Railways now will be focusing on that, the wagon --the typical freight wagon things could be like out o the public much sooner. Some color on that will be helpful?

Management: So the freight and the passenger capacity is not fungible with each other. They are completely chalk and cheese. Both may be white, but they are completely different from each other. So the question whether the shifting of this load to railway PSU can help the freight wagon demand come up, that would not be the case.

As far as your question on the total addressable market is concerned, the total addressable market is not changing at all. It is only the product mix that is changing. The total addressable market and the total capacity available remains intact. It's not that ICF is a new capacity which is coming up. It has a finite capacity, it does not have an infinite capacity. It is only the product mix that can keep on changing.

So let us say, if the total requirement of the system is X and the total supply including ICF, including us, including Alstom, including BEML is Y, those X and Y do not change. If ICF gets busy to produce a particular type of product, there will be the other types of products that they will not be able to produce within the passenger segment for which we believe that the business will come to the private sector.

So we do not see this as a setback in terms of the overall business potential. Yes, of course, a large tender going off the market is not a very happy situation. But as the Honorable Minister announced in his public appearance, this was done only for the reason of expediting the local train supply so that the railways' capacity and the railways' muscles can be used to bring these trains earlier into the Mumbai suburban system.

And this probably, I mean, I'm not quoting him, but I'm just giving my own estimate, this probably will mean more Vande Bharats that were being produced by the railway production units who will be busy to produce these trains can get tendered out and be supplied by people like us.

Naveen Sahadev: That's helpful. My second question then was on the prototype approval. So you mentioned bulk of Gujarat will get delivered this year or early next year. So is it safe to assume that the prototypes for both Ahmedabad and Surat have already been approved and hence the confidence or it is likely anytime soon in coming weeks or days?

Management: We have already delivered 2 trains of Ahmedabad and in a metro system, the prototype approval happens in many stages. First is the design approval, then the prototype approval, then the RDSO testing and oscillation and all of that. So we are in the third stage of that. But these are matters of fine-tuning. Once the train is manufactured and tested and delivered, then the other approvals are consequential.

Naveen Sahadev: Understood. And just one more question also if I can just slip in. This is regarding the Vande Bharat again and the consortium or the tie-up we have with BHEL. So once we start delivering on these Vande Bharat trains, how would the accounting be? Will it be like a proportionate revenue or is it a JV where it will directly get added the PBT as share of profit from JV? This is for both the train supply as well as the AMC is my question. Thank you.

Management: So both will be separate. The AMC JV is the share of profit of the JV and the supply is directly in the top line and the bottom line because it is proportionatae as a consortium. That's not a JV, it's a consortium. So the short answer to that is for the supply portion, it will be added to the top line and then consequently follow to the bottom line. And as far as the AMC is concerned, it will be a part of the JV, so it will be a JV accounting.

Naveen Sahadev: Thank you. Thank you so much for that clarification and pardon if any of these questions were a little naive or a little un-relatively new to the sector. Thank you.

Management: All of them were very relevant. Thank you.

Moderator: Thank you very much. Next question is from the line of Ambitoj Singh from 360 One Capital. Please go ahead.

Ambitoj Singh: Yes. Thank you so much, sir, for taking my question. I just wanted to have a book -- had a bookkeeping question. Out of the 491 passenger metro cars that we have in order book, can you give us a split of how much is for Bangalore Metro, Ahmedabad Metro and so on? Is that possible?

Management: No. Sir, normally we don't give out the exact split of the orders. So that's not something I'd be able to divulge at the moment. That's usually due to competitive reasons we don't give out the exact split.

Ambitoj Singh: Got it. So sir, on the Gujarat Metro, Ahmedabad and Surat Metro are going hand-in-hand, the execution for that? So we should assume that they will be executing both at the simultaneous times, Q1 of FY28?

Management: Yes, they are being executed in parallel, sir.

Ambitoj Singh: Okay. That's it. Thank you so much. Thank you.

Moderator: Thank you. Next question is from the line of Utsav Shah from Val-Q Investment. Please go ahead.

Utsav Shah: Hi, sir. Good evening. Am I audible?

Management: Yes, sir, you're audible.

Moderator: Yes, sir, go ahead.

Utsav Shah: Yeah. So, I just had one question regarding the wheelset JV that we have with Ramkrishna. Are we on track as per the timeline initially given regarding the Phase 2 start from April 2027? Am I right? Am I correct or...

Management: So we are -- in fact, the hot trials are currently ongoing in the forging line in the factory in Chennai, sir. And starting this month, so starting August, we'll start the sample production. So I would say, the JV is progressing on track, very much on track.

Utsav Shah: Okay, sir. Okay. And any guidance on as to when the wagons order is out? Because I think that's what most of analysts are tracking right now. So any news, anything regarding that? Any tentative idea as to when latest it might come?

Management: So we are also hopeful for the tender to come out, sir. So whatever we know is also based off of media reports which indicate anyway. So there is a target, a clear target of 3 billion tons of freight loading which remains unchanged. And as was mentioned earlier in the call that in order to meet that target, it is only logical that procurement of wagons will have to be done. So, it's only a question of time before the railways comes out with the tender. And as far as the timeline, we are also hopeful.

Utsav Shah: Okay, sir. Sure. Thanks.

Moderator: Next question is from the line of Sandeep Mukherjee from SKP Securities. Please go ahead.

Sandeep Mukherjee: Thanks for taking the question. My only question is that, how many Bangalore coaches/trains are delivered in Q1 FY27, and how many traction motors are dispatched in Q1 FY27? Can you please...

Management: So as far as the Bangalore Metro dispatches, that is again not a number that we can divulge due to competitive reasons. As far as the traction motor dispatches are concerned, there were 72 traction motors, and so during this quarter, we have dispatched approximately 263 traction motors.

Sandeep Mukherjee: Okay. That's it, sir. Thank you.

Moderator: Next question is from the line of Amay Sharda from Purnartha Investment Advisers. Please go ahead.

Amay Sharda: Hello. Hi, sir. Thank you so much for the opportunity. I just had one question. So, we have a book of INR470 crores in the shipbuilding segment. So, in how much time can we execute this order book?

Management: So, this shipbuilding order that we have received from the Indian Navy, there's a tenure of delivery. So, the first ship has to be delivered over 30 months, and then it'll be delivered over a period of two years, sir. But as mentioned earlier, this will be executed in the wholly owned subsidiary, the new entity which is Titagarh Naval Systems Limited.

Amay Sharda: Okay. So, this will not be executed this year for sure?

Management: No, sir. Over the next -- over 30 months, sir. Not this year.

Amay Sharda: Okay. Thank you so much, sir. That's it.

Moderator: Next question is from the line of Amit Gupta from ICICI Securities. Please go ahead.

Amit Gupta: Good evening, sir. Am I audible?

Management: Yes, sir. Good evening.

Amit Gupta: Sir, I have a question on wheels JV with RK Forgings. So, I just wanted to understand what is the profitability trajectory that we are expecting in this JV? At what capacity utilization would it be break-even and then going ahead, what could be the steady-state margins?

Management: So as far as the margins are concerned, we would expect to maintain margins in line with a standard forging business. So, if you look at the margins of any forging company like RK Forgings, for example, we would expect the margins to remain in line with that. As far as our selling price is concerned and our margins are concerned, our selling price to the Indian Railways is in public domain as far as the per kilogram of wheel is concerned. So that's already public information.

Amit Gupta: Okay. Yes, that was my question. Thank you, sir.

Moderator: Next follow-up question is from the line of Rajesh Bhandari from Nakoda Engineers. Please go ahead.

Rajesh Bhandari: Sir, thanks for giving me the chance again. Sir, when is the regular production of our wheel going to start?

Management: Sir, trial production will commence this month or within this quarter -- specifically, the Q2 of the current financial year. Following that, there is an approval process. So, we will begin invoicing for the wheels within this year.

Rajesh Bhandari: And how long will it take to complete, Sir? Because the order is a huge one?

Management: This is a 20-year supply, Sir. It will last for 20 years over there.

Rajesh Bhandari: Okay, okay. So approximately 1,000 -- means approx INR500 crores per year?

Management: We are required to supply 80,000 wheels annually, while the capacity being established is 2,20,000 to 2,28,000 units. Of this, 40% of our capacity will be underwritten by the Railways for the next 20 years, and the remainder will be sold either to TRSL or to other customers.

Rajesh Bhandari: Okay. So, what turnover can we expect, sir, from next year from the wheel?

Management: So, at peak capacity utilization a single wheel costs approximately INR1 lakh. I am giving you a ballpark figure here; it is not an exact number. So, using a rule-of-thumb calculation, assuming INR1 lakh per wheel, our total capacity upon the completion of Phase 2 will be 2,28,000 wheels.

Rajesh Bhandari: Yes, yes. Alright, sir. Thank you, sir.

Moderator: Next follow-up question is from the line of Amitosh Singh from 360 ONE Capital. Please go ahead.

Amitosh Singh: Thank you so much, sir, but my question was answered. Thank you.

Moderator: Next follow-up question is from the line of Naveen Sahadev from ICICI Securities. Please go ahead.

Naveen Sahadev: Yes, so thank you for the repeat opportunity. Two questions. One is about the visibility of Metro orders beyond FY28. So, I'm completely convinced FY27 is looking good, much better than '26, and I'm assuming '28 will also be much better as highlighted earlier. But what about the visibility for FY29 onwards? Do you see a like a steady state, a steady increase in the year-on-year orders for these Metro cars or it could be expected to be lumpy in nature?

Management: Sir, I think the answer to this is in fact even if you look at our presentation, we have highlighted a few opportunities region-wise across the country in Western India, Southern India and Central and North India, which are opportunities which are tenders rather to be floated in the immediate future or in the very near future. And if you look at the larger plans of the Government of India, the National Rail Plan as well as the general plans of the government, there is a very clear mandate to increase the Metro network from 25 cities to 50 cities, which is a doubling of the existing Metro network.

And cities where Metros already exist are constantly going in for expansions of their Metro networks. This is evident in cities like Mumbai, like Delhi, Chennai, all these cities are already having Metro networks running, and they are constantly looking at expanding and upgrading the same. So as a company, we are very confident on a very buoyant passenger rail market or an urban mass transit market for India for the upcoming years.

To add to that, sir, if you also look at the National Rail Plan for the passenger movement and the various announcements and targets of the government for passenger loading, it is very clear that the whole of the passenger rail segment, the coach segment, whether that's mainline coaches, EMU coaches or Metro cars, that market will remain buoyant in the country for the years to come.

Moderator: Ladies and gentlemen, we will take that as a last question. I now hand the conference over to Mr. Umesh Chowdhary, Vice Chairman and Managing Director, for closing comments.

Management: Thank you very much to all the participants for their valuable questions and insights. We have also made a note of all the questions that were asked and we'll try to address them the best we can. I would just like to add on here is that we have been investing and working very hard on developing the Passenger Rail System business, which in terms of the order book had developed and had become the majority share of the business overall of TRSL on a standalone basis.

And this time, although at a low base of the freight, the freight passenger has contributed to more than 30% of the overall revenue. We are very hopeful and very confident of growing this further and at full capacity of freight as and when the new orders come, we are still very confident that passenger would still become the dominant part of the company.

So, it's only a matter of time as I mentioned in terms of the wagon order from a current level of 1.5 billion tons to move 3 billion tons, which is an absolute must for the Indian economy, the wagon order should come. But the heartening part is that despite of the full capacity utilization of wagons which will happen in the years to come, we still believe that passenger would still overtake the freight business and be the dominant part of the business.

Moderator: Thank you very much, members of the management. On behalf of Titagarh Rail Systems Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.