



Published Date:	5 Dec 2022	Publication:	IIFL []
Journalist:	Bureau	Page No:	NA
Estimated Article Readership:	10	Expected Predicted Article Readership:	20
Website Readership:	2575256	Website Country Rank:	109
Website Global Rank:	1852	Genre:	Professional press
Country:	India	Language:	English
Circulation:	0		

Vivek Lohia, Managing Director, Jupiter Wagons Ltd

[https://www.indiaonline.com/article/news-leader-speak/vivek-lohia-managing-director-jupiter-wagons-ltd-122120200324\\_1.html](https://www.indiaonline.com/article/news-leader-speak/vivek-lohia-managing-director-jupiter-wagons-ltd-122120200324_1.html)

Jupiter Wagons Limited was recently listed through the acquisition of Commercial Engineers & Body Builders Company Ltd (CEBBO). In conversation with Sheetal Agarwal of IIFL, management discusses the company's future plans.

December 02, 2022 6:36 IST | India Infoline News Service

Help us understand your company's business model.

Jupiter Wagons has stepped out to become a premier group in the mobility solutions, be it rail road, roadways & marine. In the domain of mobility solutions & under the railroad segment, Jupiter Wagons Ltd has been working in mobility solutions for both goods and people, which means freight wagons, passenger coaches, metro and similar forms of urban transportation. Under the roadways, the group delivers application based load bodies with the commercial vehicles. These applications include mining, construction & infrastructure, medical and municipal services to name a few. On the marine side the group offers ISO marine containers of multiple varieties and refrigerated containers as well. The Group is going to launch, commercial EV very shortly.

Additionally, for each & every verticals as stated above certain critical accessories like bogies, couplers, brake systems etc. are also offered as a part of mobility solutions.

Share your company's expansion plans.

Jupiter Wagons Group operates with a network of its own manufacturing facilities over six locations in the country using about 60% of its land bank of 250 acres. During the past couple of years, the manufacturing capacity and out-turn of the railway wagons have increased by 75%-80% and the current production is expected to be over 6,000 wagons per year.

Currently, the company is focussing on its brake business through which it aims to achieve an incremental turnover of at least Rs 1,000 crores in the next 2 years and an improvement in its EBITDA margin.

To cater and deliver the high-speed braking system, we have entered into a JV with Czech company DAKO, one of the biggest manufacturers of brake systems in Europe. DAKO-CZ has a fifty percent stake in our joint venture called JWL DAKO.

Additionally, we have entered a JV with KOVIS a Europe-based company manufacturing brake discs.

The brake market in India is dominated by two players; Knorr Bremse, a German company, and Wabtec, an American multinational company (which has taken over Faiveley a French company which is the manufacturer of brakes). We will be the third player in the market. In 2023-24 we are expecting the brake system JVs to give us additional revenues of

about Rs. 300 to 500 crores.

The Group is restructuring itself into appropriate dimensions so as to we are able the run all the verticals effectively and productively to achieve a sustainable business portfolio and turnover.

How do you rate the current market scenario of Indian Railways? What key events are taking place?

The scenario of Indian Railways is extremely vibrant & very encouraging.

The Indian rail network is spread across 67,386 km

making it the largest in Asia and the fourth largest in the world. Under the solitary management of Indian Railways, it comprises

passenger trains and 8,479 freight trains in operations from 7,349 stations. The gross revenue of Indian Railways for FY-22 (until June 2021) stood at INR 39,655.25 crores (US\$ 5.34 billion).

The push on infrastructure by the Government with schemes like PM Gati Shakti & National Logistics Policy are expected to increase the cargo handling capacity of railways to 3600 MT by 2030. These plans and mission released by the Ministry are highly progressive and growth-oriented. In the recent past, a tender for 90,000+ wagons at a procurement cost of about Rs 36,000 Crore has been more or less finalized up to 72,000 wagons and thereby filling up the buckets of the wagon manufacturing fraternity. The balance of the quantity is likely to come up anytime now.

Other projects the railways is undertaking include improving the infrastructure and the quality of services through 100% electrification, upgradation of existing lines with advanced facilities, upgradation of railway stations, and developing a large high-speed train network interconnecting major cities in India.

How does Jupiter Wagons strategize to capture a greater share of the growing business opportunities with Indian Railways?

Indian Railways is an assets-heavy entity and has already adopted 3000 million tonnes of freight business by the year 2027. This has manifold implications, one of them being the procurement of more and more freight wagons.

Jupiter Wagons has been alert and highly responsive toward the requirements and remains prepared to cater to such demands diligently.

India's logistics industry is too dependent on road transport, while railways provide a better and greener alternative.

What opportunities do you foresee for railways in freight and logistics?

Yes, as of today

of the logistics movement in the country is catered by the road sector and railways account for only

The share of railways remains behind the road sector mostly because of the unavailability of proper feeder services providing last-mile connectivity for the goods to be delivered.

In a recently conducted meeting with industries, the Railway Ministry has emerged with its mission of 3000 million tons per year by 2027 as the target freight handling by the railways which is currently about 1600 million tons per year.

As per the National Rail Plan 2030

, Indian railways plans to increase the share of railways in overall logistics from 27% to 45%. To achieve that, as per their estimates, they will require around 5.44 lakh wagons by 2031.

This signifies Indian Railways' seriousness about its freight performance and supports the greener footprints of rail freight than road cargo.

However, the demand scenario is rapidly changing with the rail industry implementing and using schemes to encourage greater private participation not only in the purchase of rail cars but also in the ownership of infrastructure. Nowadays,

around 65-75% of the wagons produced are purchased by the Indian Railways. The rest is taken by the private sector operators. In addition, the automotive industry uses railroad wagons for transportation of automobiles.

Display: 1/1

Could you shed some light on the challenges or obstacles that the private sector is likely to face initially?

As a matter of fact, wagon manufacturing in India is occupied with more number of private entities than PSU and therefore the growth prospects with the private sectors are truly unobstructed and uninfluenced by PSU participation in the domain.

How do you perceive the opportunities and demand for industry players under the Gati shakti policy and National Logistics Policy?

While the PM Gati Shakti plans to incorporate the infrastructure schemes of various ministries and state governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc, the National Logistics Policy aims to create a trusted, robust, cost-effective, technologically enabled, integrated, and integrated logistics ecosystem in the nation for rapid and equitable growth. The vision is far fetching and are sure to generate huge opportunities and demand all over in various commodities, products and services.

The Gati Shakti scheme will help map the existing and proposed connectivity projects and provide immense clarity on how different regions and industrial hubs in the country are linked, particularly for last-mile connectivity. Such a holistic and integrated transport connectivity strategy will greatly support Make in India.

The National Logistics Policy on the other hand will increase India's ability to compete internationally, generate more jobs, boost its standing in international rankings, and open the door for India to develop into a logistics powerhouse.

We keep ourselves geared up in order to negotiate the developments from time to time. Needless to say that such vivid plans would cause a lot of positive momentum within the industrial fraternity.

What is the National Rail Plan Vision 2030? How is it benefitting Jupiter Wagons?

The Plan is to create a 'future ready' Railway system by 2030. The NRP is aimed to formulate strategies based on both operational capacities and commercial policy initiatives to increase the modal share of the Railways in freight to 45%. The objective of the Plan is to create capacity ahead of demand, which in turn would also cater to future growth in demand right up to 2050 and also increase the modal share of Railways to 45% in freight traffic and continue to sustain it.

Jupiter Wagons has been aligning itself in matters of infrastructure, technology and resources so as to play a lead role with an expanded portfolio in the mobility solution sector.

Share a snapshot of the company's financial profile and its key strengths thereof.

Jupiter Wagons Ltd is committed to become a world leader in transportation solutions and this has been proved by our strong performance in Q2FY23 wherein the company posted a 65% growth in revenue YoY to Rs. 41,671.61 lakhs.

Furthermore, the performance for the first half of the year was also impressive with revenues of Rs. 71,211.71 lakhs, up 38% as compared with Rs. 51,709.69 lakhs for the same period last year.

The company's key financial strengths are robust order book, EBITDA margins are on the rise and with a negligible term loan and zero tax cash outflow, the company has been investing in JVs from internal cash accruals. JWL's EPS has increase to Rs 1 this year from Rs 0.69 in the previous year.

This momentum will only continue with the trust and support of our employees, customers, and shareholders as our portfolio expands and we enter rapidly growing verticals like EVs.

IIFL Customer Care Number