

July 31, 2024

To,
The Corporate Relationship Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Security Code: 533272

The Manager, Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.
NSE Symbol : JWL

Sub: Transcript of Investor/Analyst Meet call pertaining to the Financial Results of the Company for the Q1-FY2025

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the Analysts / Investors Call on Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2024 held on July 26, 2024.

The Information is being hosted on the company's website www.jupiterwagons.com.

Kindly take the same on your record.

Thanking You,
Yours Faithfully,
For Jupiter Wagons Limited

Ritesh Kumar Singh
Company Secretary and Compliance Officer



“Jupiter Wagons Limited
Q1 FY25 Earnings Conference Call”

July 26, 2024

**MANAGEMENT: MR. VIVEK LOHIA – MANAGING DIRECTOR – JUPITER
WAGONS LIMITED
MR. PUNEET SABOO – VICE PRESIDENT FINANCE –
JUPITER WAGONS LIMITED**



Moderator:

Ladies and gentlemen, good day, and welcome to Jupiter Wagons Limited Q1 FY '25 Conference Call hosted by Systematix Institutional Equities. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sudeep Anand from Systematix Institutional Equities. Thank you and over to you, sir.

Sudeep Anand:

Thank you, and good afternoon, everyone. Thanks for joining us today for the Q1 FY '25 earnings call of Jupiter Wagons. On behalf of Systematix, I would like to thank the management for giving us the opportunity to host this call. Today, we had us Mr. Vivek Lohia, Managing Director; and Mr. Puneet Saboo, Vice President Finance.

Now I would like to hand over the call to the management for the opening remarks, and then we can open for the Q&A. Thanks, and over to you, sir.

Vivek Lohia:

Thank you, Sudeep, and welcoming to all our investors and analysts us joining for the Q1 FY '25 Earnings Conference Call. I am thrilled to share the progress and achievement of Jupiter Wagons Limited and our subsidiaries over the past quarter. Our unwavering dedication to revolutionizing mobility solutions has driven us to new heights, and I am excited to present key milestones and strong financial performance in Q1 FY '25.

In Q1 FY '25, the company reported a total income of INR 90,219 lakhs, marking a 19% year-over-year increase. EBITDA surged to INR 12,886, a 32% rise with EBITDA margins improving to 14.4%, up from 12.9% in Q1 FY '24. PAT reached INR 8,923 lakh, a 40% increase, and PAT margin grew to 9.9%. Despite challenges from the general elections and peak summer impact of our multi-location plants, we achieved a robust consolidated EBITDA margin of 15.5%. Our order book stood at INR 7,02,834 as of June 30, 2024.

Jupiter is at the forefront of the mobility revolution, offering comprehensive solutions across rail, road, and marine transportation. Our focus on sustainability, efficiency and innovation positions us as a key player in reshaping product mobility. We integrate various transportation modes to ensure smooth, efficient, and eco-friendly environment. During the quarter, we advanced into energy-efficient battery solutions for rail coaches through our collaboration with Log9 Materials Private Limited.

Our commitment to an energy efficient logistics is evident in our role in developing critical infrastructure at every stage. Jupiter Electric Mobility, our subsidiary, has achieved a major milestone by completing 6-month trials of 11.2-kilowatt lithium-ion LFP pack for rail coaches. We are first to receive certification from RDSO. Additionally, we secured a purchase order for LFP auxiliary batteries for Vande Bharat trainset from Siemens and have technically qualified for rail tenders. Further, the company is in the process of developing the next-generation battery packs for Indian railways.



This accomplishment underscores our leadership in advancing battery technology for Indian Railways. Jupiter Electric Mobility has received approvals from the Automotive Research Association, ARAI, for commercial production of our one ton 4-Wheel electric light commercial vehicle. JEM TEZ. This vehicle features advanced forging technology, enabling full charge in approximately 20 minutes and offering a certified range of 127 kilometers. Production is set to begin in October Q3 FY '25 with the initial plan to manufacture 500 vehicles in the inaugural year.

In March '24, we acquired a majority stake in Bonatrans India Private Limited (BIPL) to enhance backward integration and create additional synergies. For Q1 FY25, Bonatrans reported a fivefold increase in revenues to INR 7,436 lakhs. EBITDA rose to INR 930,000 lakh with a 12.5% margin and PAT reached INR 702 lakhs.

We aim for a turnover of INR 400 crores from BIPL for FY '24-'25. In the short, medium term, we plan to expand BIPL capacity to machine 28,000 wheelsets in FY '25 and up to 40,000 to 50,000 wheelsets by FY '26. These wheelsets will support JWL freight car orders and we used to export to Tatravagonka and other international players.

Further we are also selling wheelsets to Indian railways for the LHB and Vande Bharat applications and to the various leading metro players in India such as Siemens, Alstom, and Bengaluru Metro Rail (BMS). We are also in advanced discussion to establish our fully integrated forging line for wheels axles in India with a target to manufacture around 1 lakh wheelsets annually and expect it to be commissioned and completed by 2027. This facility will not only cater to the demand of the growing Indian demand for wheelsets, but also this will be a significant exporter of wheelsets the European Union and all other major wheel, wagon, freight, and rail manufacturers in the world.

We are pleased to announce the successful completion of our qualified institution placement, raising INR 800 crores. The QIP received an overwhelming response with total demand reaching approximately INR 2,800 crores reflecting strong institutional confidence. The raised capital will be primarily used to establish a full wheel and axle manufacturing plants, enhancing our pipeline integration and supporting long-term growth. This initiative will create opportunities to expand into the export market, further strengthening our growth and market presence.

With that, I conclude my remarks, and we can open the floor for Q&A. Thank you.

Moderator:

Our first question is from the line of Nidhi Shah from ICICI Securities.

Nidhi Shah:

So firstly, with the budget announcement and with prior budget also that the production for this year of locomotives and wagons will increase for this year and next year. So, what do you think is your order pipeline looking like for this year?

Vivek Lohia:

So as already mentioned in the opening remarks, today our order book is strong. It stands close to INR 10,000 crores and as in the budget announcement itself, Indian Railway (IR) is in the process of undertaking a major expansion of its track network. As you have seen over the last year, the railway freight traffic has grown over 4% - 5%, and now it is close to 1,600 million



tons. And by 2040, they want to take it to 5000 million tons. So again, we expect a strong wagon demand from IR, the expectations anything above 30,000 wagons is what we are expecting.

Further, the private sector demand continues to be very robust. Again, every month, we continue to add significantly to our order book. And from last month, we have also started our supplies for the new wagons such as the fly ash wagon as well as the auto rake. So, we are in the process of developing further innovative designs. So, I think with the addition of the specialized wagon, we expect the demand flow to be strong and our margins to improve further.

Nidhi Shah: All right. And as you mentioned, it was a specialized wagon, the order pipeline looking good. So, what do you think about the competitive intensity in this market?

Vivek Lohia: So obviously, there is competition. But we believe we have a significant edge because of forward integration in terms of the design capabilities, which we have and the kind of partnerships we have with people like GATX and the design feedback which we get from Tatravagonka, them being a significant partner. And the kind of backward integration which we have undertaken. So, we will continue to have the edge when it comes to these new designs, and we are significantly ahead of competition in terms of the design capabilities and the new designs which we have already introduced in the market.

Nidhi Shah: All right. And my last question would be, if the EBITDA margin this time is nearly 2% higher than what it was for the full year last year. So, could you give some color on that? And are these margins sustainable? And what would the full year margins look like?

Vivek Lohia: Definitely, these margins are sustainable, and I had mentioned in my previous calls also, this year, you will see the wheel business contributing significantly as well as the braking business. As contributions from these businesses go up, definitely, they will have an impact on the margins. Plus, on the wagon side, also, as I mentioned that now we have started deliveries of our specialized wagons. So there also, we expect better margins going forward.

So yes, so overall, we are confident that our margins are going to be sustainable. And we are increasing our wheel capacities also significantly in Bonatrans. So, quarter-on-quarter, you will see the revenue numbers going up. And further, we are doing a substantial backward integration. I think in a year or two, the impact of that also will be significant.

Moderator: Our next question is from the line of CA Garvit Goyal from Nvest Analytics.

Garvit Goyal: Congrats for a good set of numbers. My first question is it seems like the order inflows got hampered in this quarter due to political event that you mentioned in the PPT also. For the upcoming nine months, what factors give you confidence that the order book will be executed and expanded as anticipated at the beginning of the year? Are there any slowdowns or delay being faced in our order book execution? And additionally, how do you foresee the order inflow for this quarter, sir?

Vivek Lohia: So, in terms of execution, we are confident. Already, I think, post-election execution numbers have gone up. And as we had guided that this year, we are targeting to achieve a sale of 10,000 wagons plus, and we are completely on track. And we are confident to achieve those numbers.



As I have told you again from the private sector, we are continuously adding incremental order books.

And we expect Indian Railways also to come out with significant tenders in the coming months. So, order inflow will continue to remain strong. We are more focused on increasing our capacity, especially our foundry capacity and on the backward integration side in terms of the braking business as well as the wheelset business. I think going forward, they will play a critical role.

Garvit Goyal: Sir when you mentioned we are increasing foundry capacity. So, what is our existing capacity? Like we were targeting 1,000 wagons per month, right? So, what is our new target? Are we looking to further expand it or how it is going to be?

Vivek Lohia: See, as I mentioned by the beginning of fourth quarter, we will be adding another 1,000 tons of foundry capacity, and we are on track towards that. And I think that will help us. So, once we add back capacity, we will be able to achieve our target of 1,000 wagons.

Garvit Goyal: So, by then, you mean '25?

Vivek Lohia: Before end of Q3FY25 as I had mentioned.

Garvit Goyal: Why it is getting delayed, like that? Earlier, we were looking at by the end of '24 only and now three-quarter delay there.

Vivek Lohia: No. I said Q3FY25 always It will be completed in calendar year 2024. We are not going to go to '25. There are no delays, whatever. Guidance which I have given, we stand by it. So, we had earlier also mentioned, by October, we will be completing our expansion, and we are on track for that.

Garvit Goyal: And sir, secondly, could you also elaborate on the company's plans regarding lithium-ion batteries. Are there any significant capex plans in place to support this initiative? And what is the expected timeline for the implementation? Additionally, like does the company have any plan to set up a dedicated plant for it? Or how it is going to be, sir?

Vivek Lohia: Dedicated plant for what? I could not follow you.

Garvit Goyal: Lithium-ion battery technology that we are talking about in the PPT?

Vivek Lohia: Okay. Yes, we have a plan to backward integrate, and we are in the process of finalizing the same. So right now, we are focusing on developing the right technology and getting ourselves certified. So as and when we firm up the plans, we will let you know.

Garvit Goyal: Understood, sir.

Moderator: Our next question is from the line of Shrinidhi Karlekar from HSBC.

Shrinidhi Karlekar: Congratulations on a good set of numbers. So just a little bit more on your incremental investment that are going into the wheelset business. So, can you give us like a broad landscape, like how much is the Indian market demand or the wheelset? How is the split between cast and



forging where does this Bonatrans comes into the picture? And how much likely to be incremental demand that you see in the domestic market? So, some color on this whole opportunity that you have under wheelset side.

Vivek Lohia:

Yes. Thank you. So, as you are aware that today already in India if you get the entire rolling stock population in the country is close to 500,000. And we expect by 2030 that the entire rolling stock population will be close to about 800,000. So, wheelsets must be replaced in around 7 years. So, every year, you are looking at a replacement demand of at least 5 lakh wheelsets plus the OEM demand which is there. So, we expect annual demand to be nothing less about 6 lakh wheelsets. And today, if you look at the manufacturing capacity in the country, it is close to about 1- 1.5 wheelsets in the maximum. And Rail Wheel Factory is the major manufacturer, and they produce, I think, close to about 1 lakh wheelsets. So, there is a significant gap and India is a major importer of wheelsets.

And if you look at our own wagon capacity, we are looking to produce at least anything between 12,000 to 15,000 wagons annually. So, our internal demand is itself close to about 60,000 wheelsets. And plus, for us, Europe is a big opportunity. Our partner, Tatravagonka, they themselves require about close to 50,000 wheelsets annually.

And plus, we are already in discussions with other European players who themselves are looking at alternative sources for wheel set procurement. We are setting up facilities initially to produce about close to 1 lakh wheelsets, but we are confident that given the kind of demand, which is there, we will have to further enhance the capacities in future.

Shrinidhi Karlekar:

Right. Sir, this is both cast and forged wheels that Bonatrans can do, or it is only the forged wheel?

Vivek Lohia:

No, we can assemble and machine both cast and forged wheels. But the backward integration, which we are doing, we are focusing on forged wheels because that is the future technology, and all high-speed applications will require forged wheels only. So cast wheels cannot be used for any high-speed application. And if you look at Europe, it is all forged wheel only.

Shrinidhi Karlekar:

And sir, currently, in Bonatrans is on more machining at this moment?

Vivek Lohia:

So right now, we do not have any foundry facilities. We are doing the machining and assembly of wheelsets.

Shrinidhi Karlekar:

And sir, last one, if I may. Sir, currently, what Jupiter Wagons produces for the Indian Railways and the private customer on the wagon side? Where do you procure wheels for that? Is it railway factory or can that be backward integrated and source it from Bonatrans?

Vivek Lohia:

So right now, we are sourcing from Bonatrans and other suppliers. But the idea is that over the next two years, we are setting up our whole wheel plant ourselves, we are doing our complete backward integration.

Moderator:

Our next question is from the line of Devesh from Antique Stock Broking.



- Devesh:** Just if I might have missed, I just wanted to know what is the average selling price for wheelsets currently for Vande Bharat and for freight?
- Vivek Lohia:** So, freight is around anything between INR 2.7 lakh to INR 3 lakhs. It depends on the raw material prices. And for Vande Bharat, it is I do not know again the exact numbers. But I would assume that it is anything between INR 6 lakh to INR 8 lakhs it is somewhere in that ballpark.
- Devesh:** And margins are same for both?
- Vivek Lohia:** No, as you go into more high-speed applications, because the intricacies and machining and everything and the demands are much higher. So, in high-speed applications, the margins are more than freight.
- Devesh:** Okay. And one another update I wanted on the commercial vehicle volumes. If you see the volume numbers of like Y-o-Y, they are stable, but then Q-o-Q, they have fallen. So, are we expecting some slowdown in that side? Or are we not focused on that business yet? There was one-time and you had mentioned that we want to be focused on containers.
- Vivek Lohia:** So, there is no significant -- this was a legacy business for us. It is not that we are not focused, and we want to continuously grow this business. But as you see, there is no significant drop in numbers. The numbers are similar. And we expect before end of this compared to last year, we expect the numbers to go up only by end of this year. Again, you must understand that being an election year, election quarter, even in the Commercial Vehicle segment also, there was an impact because of that. And I think post the monsoon season, you will see an increase in terms of demand.
- Moderator:** Our next question is from the line of Parvez Qazi from Nuvama Group.
- Parvez Qazi:** So, a couple of questions from my side. First, it would be great to get an update about the EV business and also the brake regarding Stone India, what are the developments, let's say, which have happened over the last you could say couple of months in terms of future tenders and scaling up our product portfolio there?
- Vivek Lohia:** So, on the EV business, as I mentioned that we have already got approvals from ARAI. We are in the process of now starting our commercial production. And by end of October, we are confident that we will start rolling out our vehicles. We are, I think, in the last mile of that journey. Again, we are starting with more than 80% localization and our vehicles will be eligible for FAME subsidy. Further on Stone India, again we expect railways to grant us licenses very shortly. We have already upgraded our infrastructure, and we expect commercial production to start in the next couple of months.
- Parvez Qazi:** Great. And what is our net debt figure currently?
- Vivek Lohia:** I will just hand over to Puneet.
- Puneet Saboo:** Our gross debt in consol basis is around INR 450 Crore and the net debt will be around INR 300 Crore.



- Moderator:** Our next question is from the line of Gagan Deep from Nvest Analytics Advisory LLP.
- Gagan Deep:** Sir, my question is on the brake segment side. Like the company had a target of achieving INR 300 crores to INR 400 crores in revenue for brake in this segment in FY'25. So however, if we look at the Kovis and Dako order book numbers that shows only INR 35 crores execution in this quarter. So, with no incremental order book observed in this quarter. So, are you in line with achieving the target for FY'25? And why there are no incremental orders for this segment, sir?
- Vivek Lohia:** No, we are adding incremental for, I think, the Dako business already we have orders of close to approx. INR 100 crores, and Indian Railways is now coming out with new tenders. So already, they have come out with the tenders. They are going to award further orders, I think, in the next couple of months.
- And even on the Kovis business, we are adding incremental orders every month. So, I do not know exactly from where you have the numbers. And when we talked about INR200 crores, INR250 crores, we also included Stone India. And as I have just mentioned that in the next couple of months, we will be starting commercial production there. So, we are in line to achieving the numbers which we have disclosed.
- Gagan Deep:** So, it will be INR300 crores to INR400 crores or INR200 crores to INR250 crores?
- Vivek Lohia:** No. I never mentioned INR300 crores. I mentioned INR200 crores to INR250 crores in FY'24-'25.
- Moderator:** Our next question is from the line of Akash from Dalal & Broacha Stock Broking.
- Akash:** Yes. First, congrats on a great set of numbers. So, my question is on Bonatrans, wherein I wanted to understand whether all the wheels that we have produced in this quarter have been used for captive focus or how is it?
- Vivek Lohia:** Thank you, Akash. No, it is not being all used for captive. Bonatrans has supplied for captive, but we have supplied to Indian Railways for the LHB applications. We have supplied to the metro players also and we have supplied to other wagon manufacturers also. So, it has been Bonatrans supplying wheelsets across the various segments and not only to Jupiter, but to all the major players.
- Akash:** Okay. So, this is like you said sir our own wagon production we are planning somewhere between 20,000 to 15,000. So that works out to 50,000 - 60,000 wheelsets requirements for our own purpose. So how do you plan to scale the wheelsets that are going to produce in Bonatrans how much will be using for captive, how much of the catering to other players?
- Vivek Lohia:** So, as I mentioned that we are by this year we will be scaling the production to about 30,000 wheelsets and by next year we will be close to about 50,000 wheelsets and then I think then onwards with our complete integration happening we will be close to about 1 lakh wheelsets by '27 end. So, as we keep on scaling up it will be the production will be used for our captive production as well as for supplies to others.



So initially I think for our captive production Bonatrans will be supplying close to about 22%, 25% of our demand. And as it keeps on scaling up definitely, we will be using more of that capacity, but again we are looking at the market opportunity in a big way. So, to serve the requirements for LHB as well as the metro and Vande Bharat. So, it will be a mix of everything for us.

Akash: Got it, sir. And I would also like to understand how do you foresee the margins going ahead? So, we get a gross volume of around 25% and EBITDA of 15.5% at the console level. So, for this year is it a sustainable gross margin and even EBITDA margin of 15% plus are sustainable and how do you take it forward from here in the next 1-2 years?

Vivek Lohia: Definitely we are confident that these margins are sustainable. It will be around the 15% kind of margins because as I mentioned that as the other businesses start contributing significantly, so they will start having a positive impact on the margins. And going forward again as we achieve better backward integration, we -- as I have mentioned that as the wheel business becomes bigger, as the braking business becomes bigger, they start contributing. We expect the margin profiles to improve.

Akash: Got it sir. One last question from my side.,

Moderator: Sorry to interrupt sir.

Akash: Just one last question. Yes. So, last year in FY '24 the industry I think the railway industry, including private and public railway demand, there was around 35,000 wagons, so -- if I am not wrong. So then how do you project this number going ahead like where it can reach in the next couple of years considering '25, '26 and '27?

Vivek Lohia: So, I am not sure about that number I must cross check, but as you are aware that today industry has significant order books. So be in terms of the demand I don't think we see that to be any kind of challenge and if you see the national rail plan from Indian Railways in the next 5 years they are looking to buy at least close to I think 400,000 rolling stock – wagons in terms of wagon demand is close to 400,000 of which they have procured I think around 150,000. So, there is still a huge gap in terms of their projections which they have done and the procurement which they have done.

So we don't see a challenge in the kind of investment which is happening in infrastructure especially on the track infrastructure and the signalling and in terms of the last mile connectivity which is there and the company is very committed towards the infrastructure as you have seen in this budget itself the Finance Minister has reiterated that the infrastructure is now above 3% and they will continue and the government will continue in that path. So, I do not see any challenge in terms of the demand going forward.

Akash: Got it Vivek. Thanks.

Moderator: Thank you. Our next question is from the line of Suman Kumar an Individual Investor. Please go ahead.



- Suman Kumar:** Sir while going to the presentation what I figured out is the volume that we have been able to generate far as railways wagons is concerned has dropped to a level of around last quarter. Given the kind of order size that we have, what would be the reason for this?
- Vivek Lohia:** So, as I mentioned very clearly, see if you look, from Q1 FY '24 there has been a significant jump. But yes, from the last quarter there has been a drop and I have mentioned very clearly that this is because of the disturbances because of elections. As you are aware that the election is over seven phases, and we are not only in one location. Our plants are in various locations.
- So, there was a lot of disruption due to that. And further typically in the extreme summer the production do drop because of the weather-related issues, but already productions have picked up significantly and we expect that in the coming quarter production numbers are going to be very strong and we are very confident to achieve our targeted production of 10,000 wagons for the year which we have projected.
- Suman Kumar:** Appreciate. Second question sir around the EV. So while you understand that we must be doing some kind of pilot exercise by testing the EV, have you also started in marketing of it and while the production is going to start towards October that you have given an indication of, do you -- what is the kind of order book expectation that you have going into the next quarter or the quarter that we are already in to?
- Vivek Lohia:** So, in terms of the market demand, we are seeing a significant demand from the market and there is a lot of -- demand is going to keep on picking up. As you are aware that our vehicle is for our mile connectivity and there is a significant price advantage which we offer. Initially definitely we are looking at the B2B segment and the aggregator that we are seeing a strong interest from them.
- We are confident that we have -- that once we launch, we'll immediately fill up all our order books. So, we do not see any challenge in terms of the demand. And today if you look at competition there is -- in this segment there is hardly any competition which is there. So, we have extremely high expectations from the segment.
- Suman Kumar:** And when do you intend to start going and taking the orders for the product?
- Vivek Lohia:** We are already in discussions, and we expect to build our order book very shortly.
- Suman Kumar:** Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Sachin an Individual Investor. Please go-ahead sir.
- Sachin:** Okay. Thank you for the opportunity and congratulations on particularly good set of results. My first question was around the EV. So, you are talking about 500 units in the initial year. So, is this December or March? What is the timeline that you are looking at for 500 units?
- Vivek Lohia:** So, when we talk about 500 units we are talking about this financial year.



Sachin: This fiscal year okay. And what is the strategy so if a customer wants to acquire these vehicles, do they need to go to a dealer or do they need to come to the company and how do we service these products and so on. I'm asking because service itself is another line.

Vivek Lohia: So, we will be rolling our strategy very shortly. I think it is going to be a mixed channel, but we will be rolling it very shortly.

Sachin: Okay. And my next question was around I saw that one of the subsidiaries that you have invested is into drones. So, is that something that you can actually tell us about? What is the business here? And what are we looking at?

Vivek Lohia: So that is just a small offset of the electric mobility business. So again, that is something which is a work in progress. I think again, right now, there is nothing significant which I can elaborate on that. But yes, down the road, we can speak a little bit more.

Moderator: Our next question is from the line of Balasubramanian from Arihant Capital

Balasubramanian: Sir, on the container side, we are making special containers for data centers. And if you could throw some light on what kind of demand we are experiencing in those side because a lot of development is happening on data center. And what are the realizations for these containers? And if you could share, what is the margin difference between these marine containers, normal containers, and the special containers. And we also have a tie-up with Log9 Materials. We are only supplying these containers, or we are supplying the complete packages. These are my first question.

Vivek Lohia: So today, we are seeing a significant demand on the container side. Today, we are looking to now enhance our capacities because I think for the year, our capacities are fully utilized. So again, we are supplying the mix of integrated containers, which we will start supplying shortly and just containers for both data centers as well as for battery applications.

Right now, we are not in the business of marine containers because we have already migrated to the more value-added containers. So, we are not taking any new order book for marine containers. In terms of margin in terms of realization per container and margin, also there is a significant difference between marine container and data centre container. Again, right now, I will not be able to tell you in terms of the exact numbers, but there is a significant difference in terms of margins.

Balasubramanian: Okay. Got it, sir. Sir, on the EV side, if you look at some big players like Ashok Leyland and Tata, these players have small trucks around 1 to 3 tons in that range. And these are like a diesel and diesel petrol and CNG variants. The ranges realization is between base model around 4 lakh to 5 lakh and the maximum can go to 7 lakh to 8 lakh kind of ranges on the realization side. So, are we also margin in those range only 2 to 3x?

And I just want to understand what kind of realization we are pricing in our EV vehicles. And where we are witnessing demand, and you are talking about some of the orders, whether we are in discussions with like logistics players or are any specific areas we are focusing on it? Because



recently I have attended one of the logistics company, they are significantly increased the EV rates. I just want to understand the overall perspective of the new business?

Vivek Lohia: So, we are in talks with all logistics companies and all the players in the, sector and we see a significant demand from them. As I have told you, we have no concerns in terms of order book. Again, we cannot reveal the price point right now. I think shortly, we will reveal our price point. But I think if you look at Tata has rolled out a vehicle in this segment, and they are priced I think it is close to INR14 to INR16 lakhs is the price of the vehicle, depending on the type of vehicle. So again, for us to give numbers right now, I think it is a little early. You will see the numbers shortly.

Moderator: Our next question is from the line of CA Garvit Goyal from Nvest Analytics. Please go ahead.

Garvit Goyal: Just one question on the outlook. So, we are looking for 30% plus volume growth this year in wagon side, right? And I think we did approve INR 3,000 crores in '24. and considering that, we will get around INR 250 to INR 300 crores from brake segment as well, coupled with our other segments of commercial bodies, et cetera, that contributed around INR 500 crores in FY '24. and you are also seeing EV coming in Q3, 500 units you are saying thing. So, considering all these things, all these areas, can we close INR 5,000 crores this year? Or do you see any challenge to this?

Vivek Lohia: No. as I have told you, our wagon numbers will be around 10,000, and we are confident of achieving that. So again, in terms of all the other numbers put together, again, right off hand, I cannot say that whether we will in terms of revenue, what will be the final number. But yes, I think on a group level, accounting for all the businesses, I think it will be close to those kind of numbers, about which you have talked. But again, off hand, I cannot give you the breakup on any numbers.

Garvit Goyal: Understood, sir. And just last question on the wheelset, like you mentioned, we will do 30,000 wheelsets. Is that number correct for this year?

Vivek Lohia: Not this year. We are going to ramp up our capacity to 30,000 wheelsets before end of this year.

Garvit Goyal: So, will we do any number in exports, or it will be entirely captive consumption initially?

Vivek Lohia: I think, captive -- but I think in the first year, we are looking at the domestic market. We want to establish ourselves in the domestic market. as I mentioned that it will not only be for captive, but it will also be to all the major buyers, including Indian Railways, all the major metro players, the other wagon manufacturers. So, it will be across the board. And initially, we are looking to establish the domestic market. And I think you will start seeing export shortly.

Garvit Goyal: Will there be any sale in this segment?

Vivek Lohia: Only happen once we are fully integrated.

Garvit Goyal: Got it. So will there be any sale in this year from...



- Vivek Lohia:** Yes, we have already started. In the first quarter itself, we had revenues of around INR70-odd crores. And we expect to close this year with anything between INR300 crores to INR400 crores of revenue.
- Garvit Goyal:** Understood. This is after consolidation of the new entity that we acquired, right?
- Vivek Lohia:** Yes
- Moderator:** Our next question is from the line of Anup Goswami from SUD Life.
- Anup Goswami:** Sir, if I understand your wheelset exports would fetch a higher realization and higher margin and backed by our promoters. Then why are we not going first to the export and then going for domestic first? That is my first question.
- Vivek Lohia:** So, as I have told you, exports, we can target once we achieve on backward integration, which will happen in the next 2 years. I think once we have the backward integration, then only we want to focus on the exports. So initially, our focus is going to be the Indian markets. But yes, as we progress, we will start seeing exports also happening from the business.
- Anup Goswami:** So once from forging, when we start that, then only we can export. Is that to understand?
- Vivek Lohia:** Yes, most of the exports will start happening once we set up the forging facility.
- Anup Goswami:** Okay. now that we are doing machining and assembling, what should be the incremental revenue once we achieve the forging backward integration? And what sort of margin we can look at?
- Vivek Lohia:** So, once we have the complete backward integration, I have already mentioned that the revenues will be anything between INR 3,000 crores to INR 4,000 crores of revenue we are expecting. And margins, obviously, will improve. It will be plus 15% EBITDA margin, what we are looking at once we are fully integrated.
- Moderator:** Our next question is from the line of Rupali, an individual investor. Please go ahead.
- Rupali:** Congratulations on good numbers. My question is regarding commercial vehicle perspective. In the last call, you said that the government scrapping policy has been implemented from April '23. So, this policy will create a potential of around 9 lakh vehicles. So, can you throw some color, what progress has been made in that or any order which has contributed in our order book?
- Vivek Lohia:** So again, it's not only the scrapping. Obviously, that will play a significant part. But the overall move towards cleaner vehicles, especially in the metros and the major cities, and that is where we are targeting. And if you look at the market, this segment, which we are focusing on, that 1-to-3-ton vehicle, that itself, the market size is around 600,000 vehicles.
- So, our assumption is that even if there is a 20% conversion which happens in the next couple of years, the demand will be close to about 100,000 vehicles in this segment, which is a very significant demand. And today, the industry has a very small capacity. So, we see a big opportunity in this segment.



- Rupali:** So currently, are any numbers showing in our order book?
- Vivek Lohia:** No. So, as I've mentioned, we are launching the vehicle in October. We are going to start building our order books. So, with the demand, we are seeing huge traction and demand in this segment. In terms of the demand side, we don't see any challenges.
- Rupali:** Okay. And which competitors are you looking for in this category?
- Vivek Lohia:** So, I think we are going to be competing mainly with the major OEMs, such as I think Tata Motors, again, the likes of -- today, I think the only vehicle in the market is from Tata Motors in this segment. There is no other vehicle which is launched. But we believe that switch mobility is going to launch the vehicle shortly.
- Rupali:** Thank you.
- Moderator:** Thank you. The next question is from the line of Arjun Agrawal and individual investor. Please go ahead.
- Arjun Agrawal:** Sir, most of the questions have been answered. But sir, regarding the container business. Can you just elaborate a bit more on the cost of the total, that's the cost of the single container in the BESS segment? And what are the inquiries from the market currently?
- Vivek Lohia:** So again, completely integrated containers can be anything depending upon the size and the type of battery capacity, can range between INR60 lakh up to INR2 crores. And so, the price ranges vary depending on the kind of demand, which is the product which is needed. In terms of now working with all the major players in this segment, be it Schneider, Tata Solar, Reliance any major player, we are now working. We have already started exports to North America. So, I think this is a business for which we have very strong expectations.
- Arjun Agrawal:** Sir, in continuation, I just want to ask what's our role in this business means what we are doing. Are we making just a simple container?
- Vivek Lohia:** Currently, we are making containers. But as I mentioned I think before the end of the year, we will start making the integrated solutions also.
- Arjun Agrawal:** With the help of Log9, that's our JV, which means we have a collaboration with Log9.
- Vivek Lohia:** Yes. Right.
- Arjun Agrawal:** Okay sir and the last question are I just want to make I understand better that we will be supplying the whole package as a BESS system.
- Vivek Lohia:** Yes, we will be supplying individual containers as well as the whole package. It will be a mix depending upon the demand from the customers.
- Arjun Agrawal:** Okay. So, it might be very costly...
- Vivek Lohia:** Exporting the same also to the North American and European markets.



- Vivek Lohia:** And we have another 5 minutes because we have a hard stop at 1:30 PM.
- Arjun Agrawal:** Okay, sir. GE order that we have received, and we are working on it. So, if you just elaborate what kind of work we are doing over there in the container business, BESS segment?
- Vivek Lohia:** I think right now, we cannot elaborate further because a lot of it is also proprietary information. Again, we have a lot of NDAs with all our customers. It's very difficult for us to elaborate anything on this.
- Arjun Agrawal:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Aakash from Dalal & Broacha Stock broking. Please go ahead.
- Aakash:** So, my question is more from -- for the container business, sir, what is the time you're looking at? I mean, what is the total addressable market for -- let's say, from, if we look at the business from 2 years to 3 years standpoint?
- Vivek Lohia:** So overall, I think globally today, it is a business of more than 5 gigawatts, and it will be -- I think it's projected in the next 3 years to be about a 10-gigawatt business. Again, in terms of size, I think it runs into \$1 billion. Right now, China is one of the most significant players. So, I think the government of India is now pushing from India to develop the capacities.
- Think in the coming year, India is going to play a significant part and a lot of major Indian players are now entering the segment. So, we see a big opportunity in this segment. So, I think the sky is the limit. It's how fast you can develop capabilities and capacities that are now cost effective we are going in the future.
- Aakash:** So, if I were to look for Jupiter, we did around INR130 crores to INR140 crores in container revenue last year. So, do you think this number can go to, let's say, by FY'26, FY'27?
- Vivek Lohia:** Again, to give a number right now will not do justice. But as I've told you, it is our focus area. And we expect that this business will contribute significantly to our revenues. But honestly, right now, we will not do any justice to give any kind of numbers.
- Aakash:** So, in general, sir, if I speak about the non-Wagon revenue that we have currently, that is all combined, let's say, from brake system, from wheels, you explained that apart from wagon, can we expect the business to grow at a 20%, 25% CAGR? Should that be comfortable?
- Vivek Lohia:** See, as I've mentioned that by '28, we expect at least more than 50% of our revenues to come from our non-Wagon business. And again, I stand by that. So, the non-Wagon business is going to produce significantly towards our revenues.
- Aakash:** And that will include wheels?
- Vivek Lohia:** Yes.



Aakash: Thank you.

Vivek Lohia: And I can just take one more caller now because I have a 1.30 hard stop. So, one more caller.

Moderator: Ladies and gentlemen, that was the last question of the day. And now hand the conference over to management for closing comments.

Vivek Lohia: Yes. Thank you. In closing, I extend my sincere gratitude to our dedicated team, Partners and Shareholders for their steadfast support. Our achievements in Q1 FY'25 reflect our commitment to innovation, sustainability and excellence. As we move forward, we are excited about the future and remain committed to driving transformation in the mobility sector delivering cutting-edge solutions that meet the evolving needs of our customers and stakeholders. Thank you for your time and attention. We look forward to interacting in the next quarter.

Moderator: Thank you. On behalf of Systematix Institutional Equities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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