

20th September 2022

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Scrip code: 532343

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.
Scrip code: TVSMOTOR

Dear Sir(s)/Madam,

Reg : Compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our intimations dated 13th September 2022 with respect to the schedule of a conference call with the analysts / fund houses and intimation on the recordings, respectively, we wish to inform that the transcript copy of the said recording is enclosed and the same is hosted on the website of the Company in the below mentioned:

<https://www.tvsmotor.com/en/Investors/Communication>

Kindly acknowledge receipt.

Thanking You,

Yours faithfully
For TVS MOTOR COMPANY LIMITED

K S Srinivasan
Company Secretary
Encl: a/a



“TVS Motor Company Limited Analyst/Investor
Conference Call hosted by Batlivala & Karani
Securities”

September 13, 2022



MANAGEMENT: **MR. K.N. RADHAKRISHNAN – DIRECTOR AND CHIEF
EXECUTIVE OFFICER, TVS MOTOR COMPANY
LIMITED**
**MR. GOPALA DESIKAN – CHIEF FINANCIAL OFFICER,
TVS MOTOR COMPANY LIMITED**

MODERATOR: **MR. JINIT MEHTA – B&K SECURITIES**

- Jinit Mehta:** Hi. Good morning, Mr. Radhakrishnan. This is Jinit Mehta from B&K securities.
- K.N. Radhakrishnan:** Good morning. Sorry for the delay from our side.
- Jinit Mehta:** No issue, sir. Thank you so much for making time, sir, for this call. So, we got the team of Canara Robeco led by Mr. Shridatta Bhandwaldar. He is the Head, Equities. We've got the fund managers, Ms. Ennette Fernandes, Mr. Vishal Mishra. We also have the CIO Offshore, Mr. Abhay Laijawala and Fund Manager Offshore, Mr. Dhrushil Jhaveri. And we have the Sector Specialist, Mr. Bibhishan Jagtap. I have started the recording. So, I will leave this call as a one-on-one call. Thank you so much for taking time out everyone. Over to you, sir.
- Shridatta Bhandwaldar:** Good morning. Thanks a lot, Mr. Radhakrishnan and Mr. Desikan for actually sparing time for us. We have been shareholder for some time with the company and have had participated in group interactions, but probably this is one of the first one on one interaction we are having with you. And really thanks for sparing time. So, the format, we would prefer question and answer. We have certain questions that we have prepared and our team will go through it. For convenience and coordination purpose, would let Bibhishan who is the Sector Analysts ask most of the question because then since this is a virtual meeting, otherwise it will become a chaos in terms of people actually getting kind of cutting each other. So, let me just start at one point and then I'll hand it over to Bibhishan.
- Basically, the drivers for the industry and particularly for us, one of the driver that has played out extremely well for us, and congratulations for that doing such a great work on that side, has been on export side. It has reached a sizable chunk of our business now. But lately given the challenges that we have seen in the exports market, and particularly the larger peer has faced, in fact, more challenges than you. How do you see this piece working out? What are the key challenges in the top three markets there? And do you think that it will persist for a longer period or it will be a 3–6-month phenomenon? So, I'll start there and probably then Bibhishan and can take most of the questions and we will interject whenever it is needed. Thanks.
- K.N. Radhakrishnan:** Thank you, and good morning to all of you. I think what is most important is this is not the first time we are seeing such challenges in developing markets. If you look at while we are doing now the business, there is no Sri Lanka. Sri Lanka used to be one of the best markets for us, okay. We used to sell almost 6,000-7,000 and our market share almost reached 35%. But the economy, the challenges in Sri Lanka. It will come back because they can't be without 2-wheelers in Sri Lanka, but we have to be a little patient. Then if you look at Myanmar, this is another country we had huge opportunity, we started off very well. There are some challenges. And if you look at Iran, Iran is another market where we used to do extremely well. All our Apache and Wego and Rockz from Indonesia used to be extremely well accepted. Now there are some sanctions and challenges. It's not that the customers in these markets are still liking TVS and it will come back. We have to be patient, okay. Now whatever we are going through in African countries, I think we have seen it in the past, okay whenever we have seen the oil prices or inflation or availability of currency, okay.

My hypothesis is only one thing. If there is some problem in one place, I think you have a good product range, maybe couple of months. See, immediately, we will not be able to respond in 1 month or 2 months because there have been a stream of things, and actually still in Nigeria the retailing is happening. It is not that there is zero retail, okay. Whatever you read in the media is it's banned and things like that. Our approach has been always manage the stocks pretty well with the distributor whether it is inside the company with a distributor. So, we have practically stopped dispatching to Nigeria saying that look, you liquidate all the stocks, okay. In couple of months, you will be able to do that through retailing and then we can start. And at that time we will take a measured call. But in the meantime, there are many other markets where we can start a little bit doing higher. For example, we are doing extremely well in DR Congo. We are doing extremely well in Ethiopia. We are doing very well in Tanzania, Uganda.

So, in my view, these challenges, whatever we are talking about, slowness or some challenges in some market without Sri Lanka, Iran, and Myanmar we have reached these numbers of 100,000. So, I'm pretty confident that going forward, I'm not disturbed. What is most important is customer starts disliking you, that is the most important thing. Then you have a problem. Inflation, some local government bans and there are solutions. For example, there are markets where we have given certain facilities to track who is using with our technology we have given in certain markets, and we are also planning to offer that in these markets because these markets, the biggest challenge is they are not able to trace the vehicle, okay. As a part of the retail financing company requirement, we have also put certain telematics so that you can track exactly, and you can also disable the vehicle if the customer doesn't pay on time. So, the same technology can be used. So, I'm not so much worried about the short term ban what you see in Nigeria.

From the country side, please understand, they cannot continue the ban for a longer time because this is the main, main income. They have so many millions of taxi drivers, what will the government do if these people don't have job? So, what they need to look at is what is it they need to do to trace this customers, how they are using it, where they are going, okay. So, I'm pretty confident. We have seen in 3-wheeler also several times ban in these countries but it has now come back. So, I'm pretty confident.

What is most important is consumer confidence on the brand should not go away. And even in Sri Lanka, Myanmar or Iran, our distributors are still there. They take care of the service of the existing vehicles. They're under a little bit of pressure. But our team has been supporting them saying that you focus on service, parts and in that you make profitability working with the customers. That has been our theme. And Sri Lanka has done it, Myanmar has done it, Iran has done it. So, they are all looking forward to the day when the imports will be open.

Gopala Desikan: KNR, also LatAm is one which is doing well, right?

K.N. Radhakrishnan: Yes. LatAm and ASEAN markets are huge opportunities for us. We have started little bit increasing those markets. So, overall, I'm not afraid about the market share growth and we growing ahead of the industry.

Shridatta Bhandwaladar: So, sir, just a sub question on the same thing. Over the last 5 years, you have put in place the entire distribution infrastructure, the branding has happened, the customer associate you with a very good product. When you look at these markets, which are the end markets that you're targeting across ASEAN or Latin American or African, Middle Eastern countries, where do you see the potential of order numbers that we are doing, say 3-5 years down the line? Of course, the organization has to gear up to do that for a medium term and I assume that you would have kind of thought around it in terms of how do you scale up this business and what is the scalability that is possible for? Why I ask this question is basically there are a lot of analysts who keep writing, particularly about Nigerian market that okay, already you guys plus Bajaj plus Chinese guys are like the market is saturated. So, there is not much of scope to grow apart from the organic growth. So, when you look at your current kind of broader numbers on an annual basis, can they double, triple over next 5 years if you actually look at the target markets in terms of scalability and your presence as infrastructure and brand in those respective countries?

K.N. Radhakrishnan: Three things that have happened. I think, the first thing is this was a high penetrated Chinese market with very low prices, okay. Then Bajaj entered and when we entered we said that look, our prices are far, far higher, but we give a better total cost of ownership. For example, if a Chinese product they buy at \$350 or \$400 and usability is 12 months, we said our product can be 3 times better than that. Our durability, reliability, usage, customer convenience and after sale service will help you to use it for three years, but our prices are \$500 or \$550. And we will have a mechanism to make sure that there are proper service centers, parts, oil, everything and they will take care of you. Initially, there was a huge resistance saying that no, we don't have money to buy \$100-\$150 is a huge money. But we still stayed there and a few people bought and then the customers, the people realized that Indian brands are far, far, far, far superior. So, what has happened is the Chinese proportion has come down. Now Indian brands are doing extremely well in Africa, this number 1.

Number 2, you ask about the potential of this market. I can tell you this is the market to be in, okay. They don't have roads, okay. They don't have commuting segment. It is like 30 years, 40 years back India, okay. No roads, no public transport, but a lot of natural wealth. But education levels are very low. And I don't want to use the word who have been exploiting this set of people. They have oil but they don't have refineries, okay. So, I think this is the market with education, many people who are going for education from these countries, coming back, settling down and investments in infrastructure like roads and connectivity, I'm 100% sure you will see a significant, significant proportion of growth in the 2-wheelers. First, it will move from taxi segment. In addition to taxi when you would see commuting segment, you will see motorcycles, you will see scooters, maybe you will also see EV coming in much faster, because at least in the cities, they will say that no, we have to be progressive. Because like India is comparing Europe, I think these people will start comparing countries like India and saying that India can progress like this, why not, okay.

So, I don't want to give you a guidance, but I promise you these are the markets to be in, okay. And we have an excellent product range from HLX series to moped and to scooters to motorcycles to Apache to RR310 from products from Indonesia. And this is going to make a

huge difference. Just to give you a perspective, in the last 4 years, industry CAGR was 9%, we are at 18%. You want to put any mathematics, put the same mathematics for the future, I promise you that.

Shridatta Bhandwadar: That's a great number to work with, sir.

Bibhishan Jagtap: Yes. Hi, sir. Thanks for that detail answer. Sir, is it possible for you just to give us a sense which are our top 5 markets and how much does Africa and the other major countries contribute to us, especially this Nigeria?

K.N. Radhakrishnan: Overall, Africa is about 50%, okay. I don't want to give a breakup of that how each countries, et cetera et cetera. I think this keeps changing in my view, because every month it keeps changing, okay, because every country is wanting to expand, every country is now investing in infrastructure. So, this is a number which will keep growing, overall as in Africa will keep growing.

Number 2, I think we had Asia market significantly higher, but with no Sri Lanka, now it is Bangladesh, Nepal, okay, even Myanmar is not there. So, Bangladesh and Nepal are the key markets on this side. And if you look at the Middle East, that you have Turkey, then you go back to LatAm, the entire LatAm is a huge opportunity. Then here you look at Indonesia, Malaysia, Philippines, Laos, Cambodia, okay. So, we don't export to China, okay, and only through BMW that our joint partnership we send it to all developed markets today for example, Europe or US or Japan or any other country, it is a K series what we make more than 100,000 vehicles we have given to these customers in these markets. So, that is the overall breakup.

Bibhishan Jagtap: Understood. And sir, which are the markets we are the market leader currently or probably we're number 2, number 3 player, if you can just -- ?

K.N. Radhakrishnan: See, in most of the markets, we are a strong number 2. There are a few markets we are number 1.

Bibhishan Jagtap: Okay. Such as?

K.N. Radhakrishnan: See, there are markets like Ethiopia, Tanzania, Kenya, okay. So, see, the reason I don't want to give number 1, number 2, I think the direction is more important. I don't I play to become number 1, okay. I want to be number 1 is the customer consideration. If you are number 1 from the customer consideration, then we can grow the market ahead of the industry. I have a simple rule, we don't know the denominator which is the industry, we have to be growing faster than the industry.

Bibhishan Jagtap: Sure, sir. Understood. And sir, just a question on the export margins, I mean is it fair to assume that the export margins are slightly higher or better as compared to the domestic market? How one should look at that aspect?

K.N. Radhakrishnan: See, overall margin is what we will look at it. Some markets, certain brands, see, we have the best range starting from moped to scooter to motorcycle to going into motorcycles to Apache, okay, RR310. As a company, we look at overall contribution, overall gross margin because unlike some of my competition, we are now into expanding the business. Three very clear objectives. Number 1 is customers should be delighted with TVS product, durability, reliability, attractive quality, features, service, after sales care, I think that is the first priority. If this is done and you have exciting products, both existing products and new products, with kind of features what we give, then you can grow ahead of the industry, then the top line is assured, okay. I'm a firm believer that if the top line is assured, every line is assured, okay. You can have any number of contribution, even 30% gross margin also. The top line is not there, anything multiplied by the lower number is not going to help you. So, the most important thing, first is customer satisfaction, second is top line because top line is what the distributor, dealer, also the supplier wants. Any business, volume is the most important thing. If the volume is not there, nobody wants to participate with you. In this in this kind of a business you need to have investments not only from you, the suppliers have to invest in. They should have the belief with you. The dealers has to invest, the distributors has to invest, correct. Everybody has to invest in infrastructure, people, sub dealers. So, that is required, the volume is required, the brand is required, okay. When these 2 comes, you have seen our profitability. Then you can work on, okay. Can I sell more of a premium, can I sell more of Ntorq 125 Apache and the kind of products and we started out with an Apache 160 2v, then 4v, then 180, then 200, then 310, we moved like that. Even in Jupiter when we started we had a base version, but we said that that is not going to give me profitability, I need to improve the profitability. So, we do have ZX version, we give as classic version, grande version. And recently we have launched one and all are higher price than competition. So, today, more than 50% of the sales of Jupiter is from those models which are higher on pricing, but we give better features, better attractive qualities to consumers

Bibhishan Jagtap: Understood. Sir, just one last question on the export market. I think the kind of turnaround which we have seen in the Indonesia market, where initial 4-5 years was not good, but the last 2 years, where we have seen a very significant improvement. I think this particular geography or this particular aspect will continue to do well, right? We do not expect any major headwind to come.

K.N. Radhakrishnan: See, in my opinion, we can grow exponentially because acceptance of the products in the markets are extremely good, extremely means extremely good. So, we started out 2000, 3000, now we are hitting every month, almost 10,000. We have now started 3-wheeler. Now this 10,000 can be easily multiplied by 2. And we have a separate platform of products starting from Neo, Rockz, and Daz. So, the benefit is it will multiply and the more the volume, definitely, you know the benefits what it can give to the total company. So, the TVS will do extremely well.

Bibhishan Jagtap: Sure, thanks. Sir, congratulations on the TVS Ronin. I've personally rode that vehicle, it's truly amazing. I just wanted to understand, I mean, what is the product positioning of that particular model? Is it more of a retro cruiser tool? I didn't get that. If you can just help me understand the product positioning of that one particular aspect.

K.N. Radhakrishnan: You would have heard me saying, it is a modern retro vehicle, okay. It is non-competing because many people ask me, are you competing with RE, no. See, we look at Apache. Apache is standing for really the racing enthusiast. When we started the journey, many people said no, no, no, India you don't have racing enthusiasts, but we said, it will come. Thanks to the government, you look at the highways. I can tell you if you come here on a Saturday Sunday, there are Apache Clubs, 100-150 people traveling together, okay. Whatever see, India, the aspiration levels are very high. Even my moped customer when he comes in to buy a moped, firstly he'll go around the Apache 310, okay. Aspirationally very high, but poor fellow, he doesn't have money. And many times I ask them, why you do walk up, no, no, I will buy this for my son, okay. But I can't afford, I will buy only this one. Same way I have seen, if there is a stretch possible, they will buy the Rider 125, okay, saying that oh, it is little bit aspirational. So, one thing I have seen in India is aspiration levels are very, very high, okay. Then we found that there are many customers who think Apache is a modern retro, they don't know. They come, they look at and racing and then say oh, this is there, then I will use. And I like the bay, I like this is modern. It is not different. It is not RE, it is completely different.

Bibhishan Jagtap: Okay. So, sir, what is the monthly volume one can expect from this one particular product?

K.N. Radhakrishnan: See, this is one model where it can grow, okay. Currently, we are looking at 5,000 this month, but I want to keep the demand ahead of supplies, okay. These are brands where you have to be a little bit patient. But if you ask me, India is a great country, even you get a 0.001 fraction of the set of customers, it will be more than 10,000 per month

Bibhishan Jagtap: Right. So, I think 5,000 number is a very good set of numbers which we are targeting. So, secondly, if you just look at our product portfolio like Apache, Raider, and talk to some extent, I think last 4 or 5 months, we have seen that because of the chip shortage, there has been a significant impact. I think this is what you have been guiding even in a con call also. So, what is the situation now?

K.N. Radhakrishnan: Apache lost quite a bit in April, May June, and Raider also lost quite a bit in April, May and June. But thanks to our team, we were able to develop alternates and now Raider is fully back, Apache is fully back. I don't think there will be any problem in the season. Now this month and next month, you will see very good numbers. Now this numbers can go up, that I promise you, but I'm not in a hurry. Unlike some of my competitors, I don't dump. I don't want to keep any of my dealer more than 25 days stock. In fact, I tell them let us use the principles of OR and say zero loss of retail, tell me what is the minimum stock you have to carry? And how will rotate? Whether it is my working capital, it's dealers working capital, it's working capital here. And from the customer point of view, yesterday, I was talking to one of my competitor, he says 75 days stock this year. If you keep 75 days stock, then the customer will never get a fresh product.

Bibhishan Jagtap: Correct. Sir, what is the sense you're getting on the festive season by the way? Do you expect that this year's festive season would be much, much better compared to last year?

- K.N. Radhakrishnan:** I'm pretty confident because people are fed up. You go anywhere, people are fed up about this lockdowns and I don't think people are even testing now. Even if fever is there, people are not even testing. Fortunately, for us, we are all vaccinated, booster has been given. And one good news is even in the last, let us say 60 days, the number of cases where we test rigorously the COVID, none of them were hospitalized, zero hospitalization. So, I think I'm pretty confident that this year season starting end of this month to Diwali will be excellent.
- Bibhishan Jagtap:** Okay. So, just moving to our, if I just look at the gross margin, the kind of improvement which we have seen or even the last 2 years, the margin trajectory has been really amazing. I just want to understand is there any drop in our, let's say, input content, what used to be earlier, let's say, 4 or 5 years back versus now? If you can just help me on that line.
- K.N. Radhakrishnan:** Yes, input used to be 24%, I'm saying from my memory, now it's around 7%.
- Bibhishan Jagtap:** Okay. So, 24%, this was in which year or which time you're talking about?
- K.N. Radhakrishnan:** I think it was 19'-'20 if my memory is right, '19-'20. We've taken a lot of initiatives, including you will be delighted to see the biggest alloy wheel supplier in China, we brought them to set up a plant here in India.
- Gopala Desikan:** A small correction, 2020, I mean, he meant '2020.
- Bibhishan Jagtap:** So, in FY 20, it was about, let's say 19% versus now it is at about 7%.
- K.N. Radhakrishnan:** 24%, now is it 7%.
- Bibhishan Jagtap:** Okay, that's great. And any scope to further reduce that incoming time?
- K.N. Radhakrishnan:** See, you can reduce, but please understand we can't be without input. Certain things are not available in India, certain technologies are yet to develop here. So, we have to look at. Import is not a bad word here. Import is not bad here, okay. If many of my other export people, they start looking at local content and they say, we also have to be self-sufficient, things will not work. So, I think we have to import those things which is required. This predominantly this import reduction is from China.
- Bibhishan Jagtap:** Okay. Sir, if I just look at the, let's say Q2 FY '23 commodity prices, I think they are almost 20% down. And if I just look at our EBITDA margin, which has been in the range of, let's say, 10%, we have not dropped that. How do you see that our margin benefit will probably flow into our P&L in coming time? Do you expect that the commodity prices reduction will help us in second half of probably in FY '24?
- K.N. Radhakrishnan:** See, commodity price increase or reduction, I have always looked at in a stable way. How do you price it? How do you price it in relation to the competition? How do you price it from the customer point of view? Okay. Honestly, I'll tell you commodity is not in our hands, okay. There

may be some 3 months lag here and there between certain suppliers and this one. If you get some 3 months benefit, you will also have some challenges going forward. So, life is like that, but what is most important is what are the strategies we are trying to look at to improve let us say from 10% going forward. I think continue to create brands which can sell high volumes, okay. Continue to focus on the premium brands, okay, premium brands like Apache, Ntorq, and now we have Ronin. So, can I take up Ronin to the next level. Systematically, quarter after quarter how would you build it. So, what is most important is premium proportion is around 30%, 32% of our sales, can it go up? Number 2 exports. Your colleague asked a question, average from 100,000, can we go up? And it will go up. I'm pretty confident that it will go up. You know about the 3-wheeler. Practically, in many markets, we are number 1 in the export market, our market share is almost close to 40%. There is still opportunity to grow our 3-wheeler. So, when we look at volume side, earlier we had many products, we are single source. Now, we are also trying to look at second source because when you expand to a second source there is a good opportunity to look at a little bit better negotiation. And we are also now looking at seriously what our platforms can be common, what commonization we can do because the moment you do commonization, you can get to gain benefits. And you would have seen a lot of initiatives without reducing the value, without reducing the quality what kind of innovation you can do on the design. So, I think these things will continue to focus on material costs and equally we always looked at an opportunity to increase prices. For example, products like Raider or products like Apache or products like Jupiter 125 or Ntorq, I told you about the very ending strategy. So, there will be base model, but we will have variants. See today, when a customer walks in, if he is a retail finance customer, the moment he sees the base version and he says the upgraded version or the Limited Edition, he will say that I have to pay another Rs. 100, and 36 months it's Rs. 150, he will move immediately to that because every customer should feel that he is getting a much higher value when he pays another Rs. 3000. So, this strategy of premiumization focusing on very systematic cost reduction will continue. Second, you would have seen our marketing costs.

Bibhishan Jagtap: Yes, absolutely. I was just coming to that.

K.N. Radhakrishnan: Systematically, it is possible to cut down and all our employee cost related today, it is full investments in electronics. We are looking at software. We are putting at extra people on the digital side. So, all investments are on the EV, okay. I see no additional people. Actually, we are trying to move many people from ICE to EV, train them, make them work on the EV side. So, we are working as the EV is 100%. That's why in next 8-12 quarters, you will see many product launches from the company, okay, because that is what is very, very critical at this point of time. So, ICE, we know what to do, which products, what kind of interventions, which markets, that will continue, but all of us, we will invest in more and more on the EV side. I think some of you can visit, come and see the facility, then you will realize, okay, because that is the focus that we have to look at.

Bibhishan Jagtap: Sure. Understood. Sir, I question on this advertisement and marketing expenses. if I just look at the annual numbers, I think even in absolute numbers also the number has reduced. Is there anything we changed on the advertising and marketing expenses? Have we moved to the online advertisement? Have you done anything like that? That's the reason why we are seeing that?

- K.N. Radhakrishnan:** Few brands we have completely moved to digital, okay, and that that focus will be there. I'm not saying there won't be any advertisement in the TV or newspaper, okay, don't get me wrong, but progressively we will move more and more to the digital, number 1. It's not that digital is free, okay. But as the customer requires, we will look at it. We are not afraid of investing behind the brand, okay. Good times, bad times, we will invest behind product, we will invest behind brand because that is what is going to give next 4 quarters, next 8 quarters.
- Bibhishan Jagtap:** Absolutely. Sir, just one more question on the RM cost. I think even though if I look at our, let's say, purchases, purchase of goods from the related party transactions which earlier used to be about let's say 15%, which has now further come down to about 11%. Is there any scope to further reduce that? Can we expect that more cost benefits will help us to improve our gross profit margin?
- K.N. Radhakrishnan:** See, I told you, every supplier has invested. The next edition of VCU we are giving to a new supplier. So, when you give to the new supplier, you will negotiate better. Then you can put the pressure on the current supplier saying that look friend, the other guy is giving me so much of benefit, you also review your prices. So, this helps, definitely this helps. I will not be able to put a number because I'm not so much worried about shaking up the supplier, rather work with the supplier, mission the win-win works as the supplier and the company, we have to win, they have to win, we have to win. Dealer, distributor, they have to win, we have to win. If there is a mutual win-win, that relationship will be long term. If it is win-lose, it will not last.
- Bibhishan Jagtap:** Okay, understood. So, just coming to the EV part, especially the TVS IQ, I think we have seen a very significant ramp up. I was truly amazed when I was looking at the numbers on a monthly basis. And I think you were also very positive and talking about that we might even cross, let's say, 10,000 kind of number by July.
- K.N. Radhakrishnan:** Really, really looking forward to 10,000. The good news is the demand is there. And another good news is now this semiconductor companies have understood that we are very serious. So, they visited us, they have seen our ramp up plan, they have seen our facilities and they say, yes, we will help you, we will support you. So, the support has started, so you will see the 10,000 soon.
- Bibhishan Jagtap:** Okay. So, sir, what is our current capacity by the way, now for the TVS iQube on a monthly basis?
- K.N. Radhakrishnan:** Yes, current capacity is more than 10,000.
- Bibhishan Jagtap:** Okay. And sir, how one we can see the upcoming product launches on the EV side. If I just leave the TVS iQube, can we expect the more launches on the low speed?
- K.N. Radhakrishnan:** You will see more launches. Closer to launch, I will tell you the timing because I can't really tell you the timing, but you will see more launches in this financial year.

Bibhishan Jagtap: Okay. Understood. So, just 1 question on the EV side. I think largely when I look at the industry scenario, I think most of the OEMs currently now introducing products on a high speed side right, there is high speed, mid speed even on the low speed side. And when I look at our probably strategy or most of the OEM strategy, currently they are launching products on a high speed side. You take even, let's say, Bajaj to some extent, everyone wants to capture that premium pie first. But there are certain OEMs or certain Chinese companies currently who are now present in the low speeds and their numbers are also increasing significantly. When I correlated that number with moped, I think the kind of number which we earlier used to do that, unfortunately, because of the cost of ownership has overall increased, macro factors have not been that great for the commuter segment. Are we seeing that those customers are now moving towards the low speed EVs? Why moped sales are not increasing? If you can just throw some light and if you can just guide us on these aspects that will be great help. Again the moped is an amazing product, no doubt about that.

K.N. Radhakrishnan: See, first, I want to answer you on the EV side. In my opinion what is going to be sustainable from the customer's point of view, forget about I'm answering from KNR TVS Motor, okay. Purely, purely look at from a customer side. Today, iQube customers when I ask them, why are you buying iQube, they say simply KNR, this is like Jupiter. This is like any good scooter from TVS. It can carry husband, wife, 2 children, some bags. So, all put together, whatever I do in iQube, I'm able to do it with this. Number 2, it can go good roads, bad roads, anytime, flood times, no issue. It can take any kind of flyover of any gradient, no issue, okay. I'll pause here. You asked the same question to the low speed and the medium speed of the kit assemblies which are supplied by the customers. You ask them and you realize yourself, will it be sustainable?

Bibhishan Jagtap: No, they don't have that kind of product quality, those products are not that durable.

K.N. Radhakrishnan: And Indian customers, there are customers of moped who buy and give it to their grandson also. So, these customers, according to me will feel cheated. It's a question of 1 year, 1.5 years, okay. So, to me, you have to stand in for the brand and the quality and you have to focus on the customer. TVS is very, very serious about resonating the Aatmanirbhar Bharat. We design, develop, everything. And we partner certain things with our suppliers, okay, we don't have any hesitation. If you look at iQube, the motors, the controllers, the BMS system, the ECU, everything has been designed and some of them co-created with the supplier, some we do it ourselves. Why? Because this is an investment for building a business of EV for the future. We can also buy some kits from others and assemble and give it, okay, but it may satisfy the quality standards of TVS, it may not stand in for the durability, reliability what we are standing for, this is number 1. Number 2, from the customer side, if they don't get, then they will reject it soon, okay.

Now coming to moped, I think let us look at last 3 years because we see sometimes the cause and effect we put based on certain things. My moped customer is using it's a mini like commercial vehicle. He carries 150 kilos of load, okay. He carries milk. Predominantly, moped is in the utility category, it is not in the commuting category. There may be a few more mopeds which are used by women, teachers for convenience because Indian dress system for women,

very convenient. And no gears and big wheel so they can comfortably ride a moped. I'm saying 98% is utility. The purpose of this utility is very clearly they wanted to earn money, okay, I always say that the best CSR activity in India is a moped. Every day, they earn Rs. 100, Rs. 150, they run the family with that. But if you look at 2020 March to 24 months, they closed down everything, practically they have closed down everything because of the lockdown, no steady income. When there is no steady income, the bottom of the pyramid thinking is first, I have to make sure that my family survives, okay. The second is education of my children because I am a farmer, I am self-employed, I don't want my children to be like that, okay. Then only he starts thinking about buying a new moped or replacing my old moped, okay. Little statistics, I'll tell you, not only moped because everybody looks at the moped numbers. Moped has declined in the last 8 quarters 38%. The best selling motorcycle, HF of Hero has declined at the same period 50%. I hope it tells you some story, okay. If it is because of the EV kit, etc., HF will not come down by 50%. So, I always look at the cost and effect and look at, poor fellow doesn't have money here, poor fellow doesn't have job. The reason, see, this is the first year where we have seen a marriage season, April, May, June. There is slowly now the confidence is coming. People are going out, people are getting some job. People are able to do some plumbing job, repair job, delivery. I think slowly the economy is picking up. But unfortunately, what has happened is thanks to BSVI, thanks to third party insurance, thanks to the raw material, the prices have been going up, his salary has not gone up so much. When I meet people, I'm a firm believer that India's 2-wheeler has to come back. My hypothesis is very simple. Public transport is not there. Very good roads are there. People mobility has gone up. India is a young country, rural 50%, self-employed 50%. The only and only solution is 2-wheeler. So, it has to come back to the 10% plus CAGR. Now why it is not there? 36 months or close to 40 months we have seen BSIII to BSIV changeover, GST, a smartphone is 18%, yes, this is 28%, okay. Then we saw the safety standards, okay, AHO, okay. India is full of sun friend, day and night we have sun. But we have adopted AHO, then safety standards, I'm not against anything, then BSIV to BSVI, hop, step and jump, third party insurance. So, if you look at in the 36 months, the prices have gone up by more than 45%. Have the income gone up by that? Have the saving gone up by that? So, give some time, it will come back. Promise, it will come back.

Shridatta Bhandwaldar: Shridatta here. Just to conclude on EV. Earlier, you were speaking about EV and there was one question which was pending. I mean you said that demand is not a challenge clearly, that's the indication you're getting. So, when I look at that 6,000 to 10,000 to 20,000 or 30,000, whatever those numbers go to over next 1-2 year, how is the distribution strategy. I mean, we don't find the product present in even some of the metros. So, is it more of a supply chain challenge as of now because you said that there is no demand challenge? And how are you trying to resolve that supply chain challenges? Is it that the entire thing has to be done in-house? How much of value addition is happening in-house in EV side? I think that entire supply chain value addition internally and how do you plan to scale up the distribution on EV side, basically, the presence of EV in your existing distribution? It would be interesting to get your view on that. Thanks.

K.N. Radhakrishnan: See, the iQube, most importantly whatever I said is getting the customers like the product, that's what we have done with few cities. Now we are there. From 33 cities now we have gone to 88. But are we there in all India? No, definitely not. Okay. Now, we have close to booking of almost

25,000 vehicles, but I don't want to take any more booking without delivery. Now from the delivery side, the semiconductor suppliers are fully supporting us. But please understand even for semiconductor again, let us look at what has happened in the semiconductor industry. All of you know that the auto grade what is used in the automobiles are the best grade, highest grade in terms of quality and standards and safety. During this pandemic, everybody closed down, okay, almost 3 months. Then pick 3 companies, Renesas in Japan, Renesas you know they had the fire accident. TA in US you know, they had the biggest flood, okay. And one more company in Europe, they also had flood. These are unheard, okay. So, weak capacities destroyed almost 60 days, 70 days. While this was happening, everybody was on teams, like us Zoom, smartphone, sitting at home, suddenly you saw disproportionate growth in the consumer durables and smartphone and connectivity and all this industry, okay. So, today every company is talking about 52 weeks of planning. We have planned 52 weeks back, that is why I'm getting the confidence. So, month after month, you will see that and you will see things improving. And one more most important thing is the logistics times have gone up substantially now. What used to come in 30 days comes in 60 days. So, due to some reason, if the match, the materials are not available, and many of the flights you can't reschedule because all flights are full. So, many things are good news, but many things, it also gives us a little bit of challenge. So, we have to systematically now look at how do we go month after month to 10,000, then to go to 15,000, then go to 20,000, then to go to 25,000, that is the focus we are in.

Shridatta Bhandwaldar: Thanks. One part is still unanswered, how much of the value addition is happening internally at organization? I mean how much of integration has happened?

K.N. Radhakrishnan: See, many of this PCBs, etc., we buy from outside, none of them are manufactured inside. The design for example of the BMS system or controllers or some of the motors along with the supplier, like that we have certain things we completely design and developed; certain things we design, manufactured by the supplier; certain things completely supplier what we buy, okay. For example in the in new iQube, the VCU, it is completely designed and manufactured by our supplier in India, okay. So, it's a combination of make, make and buy and completely buy. This strategy will continue even for future. But what is most important is designing, most important is designing in-house because that is what is going to give us the biggest cutting edge of the future.

Shridatta Bhandwaldar: Sure, thanks.

Bibhishan Jagtap: Sir, one more I think concern area or you know this is something which I really want to understand is more on the investments which we did on the EV side or even in subsidiary side. So, can you just help me understand what was the thesis behind investing in Go AG company, it's a Swiss-based company who is majorly into the e-bikes. Again, they are not completely a 2-wheeler motorcycle company, it's e-bike only. What was the thought process behind investing in that company, sir?

K.N. Radhakrishnan: You know our complete range and you know our EV strategy in India. Norton, you know, it is really, really the premium. So, when we look at EV and Norton and some other products, what

we are making in the K series, we can go to all the developed markets. So, one of the thinking process was even in the developed markets, e-bikes or e-cycles are becoming very, very predominant. So, there are 2 approaches, you design your own e-cycle and then start producing and then going to manufacturer and look at the customer. So, we thought it is best way to look at EGO or SEMG, who have got omni channel and they have certain products and understand the consumer in Europe because there is a huge market and it is projected that it will get into a CAGR of almost 18%, 20% year after year in the e-cycle segment. So, in order to save time, we felt that it is best to invest in these companies, and really understand what profile, what type of customer, what kind of demography, what are the usages, okay, and at some point of time we can look at it how do we scale up, okay, for different, different countries. So, we can leverage our design and design capability and also look at what all things we can do from India. So, at this point of time, it is completely, completely the kind of products just ahead of the product range what we have. And this is one thing which is likely to change in the future, e-cycles. That is the thought process.

Bibhishan Jagtap: Okay. Understood. So, cycles as you know, it's a completely different product what we generally manufacture, but is it about the distribution, is it about the other capability, which we'll get it?

K.N. Radhakrishnan: We did basically to understand the consumer first in Europe because so far we have never been in a developed market, never. See, even the exports we are doing is almost 70, 75 markets are all developing markets, okay. Of course, we have sold through BMW, the product is 100,000 globally, that is true BMW brands. So, we have an understanding of what are our capabilities. But if you look at European markets where there is a set of customers who are buying this e-cycles, what is the profile, what is the demography, what is the usage, what are the distribution system. So, the best way to go quickly into the market is to invest in these kind of companies and then understand. And please understand, SEMG is a profitable company.

Participant: Sorry, Bibhishan, just to continue on this, so from a longer-term perspective, the strategy is to push these cycles as a product to other developed markets and maybe even in some developing markets or is it that we would be looking at leveraging our EV and the premium bikes after understanding the customers we would like to push this into the developed markets?

K.N. Radhakrishnan: Both, because see, one thing about iQube or any EV vehicles, global market we can go, absolutely no problem. And the K series, whatever the RR310 and above, we can go to every market. Today, we are in the developing market, we can go to the developed markets, okay. So, we will have EV products from India. We will have the higher series products, which we have partnered with BMW. We have the e-cycle. So, we will have a portfolio of products, okay, which we can leverage for all the developed markets. Definitely, we can look at developed markets and we can even look at for the developing markets as well. These e-cycles, once we understand then we can have it even in the developing markets also. So, it is a very clear understanding of how to and what kind of products and what kind of customer segments. See, please understand one thing, the bikes what we are selling for Africa is completely different, it's not sold in India. So, you need to understand. The strength of TVS is we go to the market, we understand the consumer. Even in India I don't have to explain to you, we South Indians we want dosa and idli

in the morning, okay. You go to North, they want parotta and channa in the morning. and somebody in Gujarat wants to start with sweet, okay. And I have seen, Apache only black color will sell in Kerala, only red color will sell in West Bengal. So, I think we have to resonate with the customer experience, customer requirements. So, it is very, very important that you have the product range, understand the consumer usage, then it is a very clear metrics of which product, which market, what kind of strategy we can have.

Shridatta Bhandwaldar: Shridatta here. Again, just to continue and this has been one of the kind of at least confusing issue or complex issue for us as an investor to understand, this has been a sizable commitment for learning in e-bicycles which you don't know how it pans out.

K.N. Radhakrishnan: I'll correct you. We may not tell you how it pans out, we know very clearly. For example, when we invested 5 years back, I have met many people, they asked me, why are you investing in TVS Credit Services. Today TVS Credit Service is one of the finest financing companies with very good returns. PT TVS, many people have asked me why are you investing in Indonesia that to thick of Japanese. Almost 99% is Japanese, why are you KNR going and investing in Indonesia? Today, Indonesia is becoming successful and the years will prove that we will become far, far successful than many of other competition. So, a 3-wheeler, we came last. We were the last to enter into 3-wheeler. Today, our numbers, we are practically number one in many markets, we are at 40% market share. So, I am of the view people generally say that you will get the first mover advantage and all. Even a fast follower will have advantage, please understand.

Number 2, I think you invest for future. You look at the future trends, invest in that, okay, and then scale it up and be patient. You be patient, don't get disturbed by 1 quarter, 2 quarter, 3 quarter even if you have to take some losses, treat that as investment. So, that is the approach we take, okay. Today, I can proudly say that more than 60% of our portfolio which we invested about 4, 5 years back are returning very well, better than the industry. Desikan, you want to add on about TVS CS anything more?

Gopala Desikan: No, just wanted to tell you TVS CS, the performance has been exemplary. We've crossed Rs. 16,000 crore on the book size. We are not providing for the NPAs for the last 6 months continuously now. And it's doing extremely well. The collections are better than the pre-COVID days today. We were cautious in deployment for quite some time now.

K.N. Radhakrishnan: Seven years back when we started, we were 100% TVS Motor. Now the dependence on TVS Motor is less than 30%.

Shridatta Bhandwaldar: Interesting.

Gopala Desikan: We may have to wrap up in just 5 minutes please. Last few questions.

Shridatta Bhandwaldar: Yes, sir. Whatever 1 or 2 last questions of the same thing. This I think about Rs. 1,800 crore commitment, correct or total, Bibhishan, that will happen over what period in this acquisitions?

- Bibhishan Jagtap:** Which one?
- Gopala Desikan:** Rs. 1800 crore, where is that number? What is that number?
- Shridatta Bhandwadar:** Bibhishan, total number is Rs. 1800 crore, right?
- Bibhishan Jagtap:** No, so what I was referring to is I think during this year in FY '22, probably investments in our subsidiaries we did about Rs. 1,400 crore, right? So, how one should look at that number for the next 2 or 3 years? Which are the significant investments one can expect in the subsidiaries in the coming time?
- K.N. Radhakrishnan:** Yes, it is strategy driven and it is purely from looking at, we have a very clear strategy to look at how the company has to be in the next 5 years, 10 years vision. So, in that context, I promise you whatever we invest, it will give returns. You look at our consolidated, also you look at our TVS Motor or TVS CS, you look at it, in the last 3 years when there were a lot of headwinds and I agree that relatively our profitability is lower than some of the competitors, but if you look at the momentum in the last 2, 3 years when tough times were there, we were consistently performing better and better in relative terms and you will see that performance to continue. So, same way I spoke about PT TVS, I spoke about TVS CS. I think the new investments will definitely start yielding much better results going forward. So, I'm pretty confident that we are investing in the right segment as per our strategy. These numbers will depend upon the strategy and opportunities what you see. Most importantly I believe that for example, some of the people have asked me, why you will succeed in Ronin? I understand the customer friend. I don't look at RE, I look at my customer, my customer who comes into my showroom and say, Apache but do you know I want like that, okay. Then what is the size of the market? I understand the market segmentation, I look at from the industry, oh okay. So, okay, leverage the platform and see what all things we can do, here comes Ronin. Same way the genesis of Ntorq. So, we have the design and development capability. Most importantly, if you have poor design and development capability coupled with the customer understanding, you can come up with delighting products, that is tedious and that is what you have seen in Ronin and you will see Ronin becoming a 10,000 brand, okay, only in India. Then we can take it to other countries because we have this platform.
- Shridatta Bhandwadar:** And sir, last question. As you say that there is a moment in cash flows and cash flows will only go up as our profitability and everything keeps moving up, the largest allocation of capital incrementally, is it fair to assume that it will happen towards the EV part of our business?
- K.N. Radhakrishnan:** Maximum will be EV only because I see, we will put some incremental investments in designing and developing some things, but we have practically most of the platforms ready. So, the innovation part we will never stop. But disproportionate investments will happen only in EV and future mobility, let me use the word future mobility.
- Shridatta Bhandwadar:** Thanks a lot sir for sparing time both of you.



*TVS Motor Company Limited
September 13, 2022*

K.N. Radhakrishnan: You're most welcome. Whenever you people are available, tell us in advance, you can visit the factories, spend time with us. Seeing is believing because many of the questions, many of the colleagues whatever they ask, you walk around and spend about 3, 4 hours here, okay, you will get the answer. I promise you that.

Shridatta Bhandwaladar: Sure, sir. Thank you. Thanks a lot.

Bibhishan Jagtap: Thank you so much.

K.N. Radhakrishnan: Thank you.



“TVS Motor Company Limited
Analyst/Investor Conference Call hosted by UBS
Securities India Private Limited”

September 13, 2022

Fund name	Contact name
Baroda BNP Paribas	Jigar Shah
Franklin Templeton	Sandeep Manam
GIC	YanLing Tay
Goldman Sachs Asset Management	Rahul Ranade
UBS Asset Management	Kevin Koh
UG Funds	Dennis Chung
UBS Securities India	Pramod Kumar
UBS Securities India	Nikunj Mandowara

Transcript

Speaker 2

Another theatre.

Speaker 3

So I think we do a quick note.

Speaker 3

Of interest so.

You have a source.

Speaker 3

I Krishnan, President, CEO. So you've been.

Speaker 4

This Presidency or.

Speaker 3

For how many years now?

Speaker 4

I moved to Director and CEO. You are every time you are introducing.

Speaker 4

This guy has.

Speaker 4

Been reporting me.

Speaker 5

No, that's the strong objection to this, very strong.

Speaker 3

We get the CEO when, which yeah.

Speaker 4

That is not relevant.

Speaker 3

2006 seven.

Speaker 3

I'm like.

Speaker 2

No, no, no, don't do that.

Speaker 3

And he is a veteran of the group. He earlier he was with backcourt EVs, the Sundering places, which is the Max of break business with CV joint. He was the President of that before he joined TV S and I think Quality Hawk.

Speaker 4

No, no, no, I was not present. I will set up TQM there and planning.

Speaker 4

When I moved here.

Speaker 4

Well then started with India business and then moved.

Speaker 4

Into this role.

Speaker 3

This work, but even with the group sells campus.

Speaker 3

Yeah, 38 years in the group IP morass.

Speaker 4

At the 38 year.

Speaker 4

With Mr Vossen 38 year.

Speaker 3

And I am.

Speaker 3

I am bad. I am overriding mudra and.

Speaker 3

Mr Daisy and again is with the group for since.

Speaker 5

Yeah, 30 plus years. 35 years now, 34 years.

Speaker 3

So he is the group CFO, right, so and with investors I think.

Speaker 3

Kevin comes from.

Speaker 3

Certain arrogance info. We have yangling again from Singapore GIC, right? And David comes on Pypi from UG funds, so that's his first to the plan I think. All of all.

Speaker 3

The three are coming to the plan for the first time.

Speaker 3

Then we have liquids there. Who works with me?

Speaker 3

And you guess in Bombay?

Speaker 3

Then on Jigger on the left.

Speaker 3

Hand side from BNP Paribas.

Speaker 3

JB between BNP and Bangoura, Rahul comes from from Goldman Sachs Asset Management Visa from Mumbai and Sandeep has been to the plant earlier and he's with Franklin Templeton, Chennai.

Speaker 4

Oh, you're from German?

Speaker 3

So yeah, any any quick?

Speaker 4

Impressions of your visit to these two plans?

Speaker 4

You would have.

Speaker 4

Currently many plans, I promise. So any field.

Speaker 3

It is the.

Speaker 1

Ability to produce both IC and DD on the same line.

Speaker 5

Something special for us or?

Speaker 4

Next year, next year.

Speaker 5

This is why.

Speaker 3

You need to be.

Speaker 3

Doing it already.

Speaker 4

I don't know. I don't know, but see.

Speaker 4

The the the.

Speaker 4

Difference between I?

Speaker 4

Sent I sent. This one is the.

Speaker 4

The engine here you have the motors and controllers and otherwise the chassis is saying there is no petrol tag styling.

Speaker 4

Banner there instead.

Speaker 4

Of patrol time you will have to.

Speaker 4

Package the battery.

Speaker 4

So so far we have not tried in the same line.

Speaker 4

But we are going.

Speaker 4

To do it in the same bag.

Speaker 4

So there will be some challenges. This is like the challenge when we went through when we started with BMW, because every day we make 120.

Speaker 4

Country specific variants in that line.

Speaker 4

So one to Japan to Canada, to your husband, to you Berlin like that so and each one has got.

Speaker 4

Specific colours and also the.

Speaker 4

The the manual, you know the customer manual is different. So I was very much afraid N equal to 1 because we are a company we look at on a daily basis we produce about 14,000 vehicles.

Speaker 4

And at that mass production here it is N.

Speaker 4

Equal to 1 so.

Speaker 4

I am very sure that people have the ability to look at how to produce in.

Speaker 4

The same line both TV and ICE.

Speaker 4

Next year.

Speaker 1

OK, OK.

Looks like.

It looks like I can do it now.

Speaker 4

Based on possible?

Speaker 6

Yeah, basically that's what you explaining.

Dental cleaning.

Speaker 4

So any impressions about the planet isn't?

Speaker 7

Maybe it's very clean since it's a very old plant and still it's maintained with now.

Speaker 4

40 year old.

Man yeah.

Speaker 2

Doesn't look like.

Speaker 7

It doesn't look like it.

Speaker 8

I I think too many Japanese funds and he reminds me of a Japanese plan, the way everything is very well mapped out, you know, even the the way the line moves.

Speaker 8

And how everything is?

Speaker 8

Off manualized to make sure that the.

Speaker 8

Losses and inefficiencies.

Speaker 8

Is minimised, so I was actually very impressed.

Speaker 4

Not a lot.

Speaker 4

Of the Indian way, our senses have been from Japan.

Did you?

So that.

Speaker 4

Pursued a watch.

Speaker 9

OK.

Speaker 4

From the the the.

Speaker 4

Japanese Union of scientists.

Speaker 4

And engineers, they have been part and.

Speaker 4

Parcel of working with us and also TPM.

Speaker 4

Total productive maintenance with.

Speaker 4

JPM Japanese Institute of maintenance.

Speaker 4

So and we also look at Toyota production system TPS.

So you try to.

Speaker 4

We we look at it, yeah, we look at, we look at all kinds of.

Speaker 4

Elite systems or the PM systems of DQM systems.

Speaker 1

I think the best part of it.

Speaker 4

And try to.

Speaker 4

Is the best.

Speaker 4

Adapted to the.

Speaker 1

Local people and.

Speaker 3

Yes, Sir. Good.

Speaker 8

This was done like right at the start of the plan or in recent years.

Speaker 4

It was. It was done long, long back.

Speaker 1

But what is what?

Speaker 4

Is most important is for example when we went in to BMW their standards in my.

Speaker 4

Opinion are the best.

Speaker 4

In in the two.

Speaker 4

Wheeler the best quality standards are being lowered.

Speaker 4

Japanese I I would rate the.

Speaker 4

BMW their standards are the best.

Speaker 4

So we for creating many things with them.

And I can, I can.

Speaker 4

I can say with a lot of humility that 100,000.

Speaker 4

Bikes we have.

Speaker 4

Sword around from this line.

Speaker 1

Yeah, yeah.

Speaker 4

They are extremely happy.

Speaker 4

BMW team always says that your quality is equal or better than.

Speaker 4

The other.

Speaker 8

Yeah, when I saw.

Speaker 8

That BMW portion is very different from the island.

Speaker 6

With with BMW case with your management experience, would you expand such?

Speaker 6

A OEM model to algebra.

Speaker 3

The BMW where the where the manufacturing wife.

Speaker 6

Yeah, you can't.

Speaker 6

Do the whole BMW can do for anyone.

OK, OK.

Speaker 3

Is there you have similar arrangement?

Speaker 3

With other brands.

Speaker 4

You know because because.

Speaker 4

Future will answer your question, but see.

Speaker 4

There was a specific interest between both companies.

Speaker 4

In 2012.

Speaker 4

They had a good philosophy. They had customer orientation, quality, orientation. We also had the same thing.

Speaker 4

Unfortunately we had about 300CC an opportunity to partner.

Speaker 4

So I think is partnered with that. But one thing I can tell you when we partnered, we started off with.

Speaker 4

To their design, interior development and the supply chain and manufacturing. And the quality was ours.

Speaker 4

We have agreed for another relationship where the interior design is orders.

Speaker 4

Or BMW brand.

Speaker 4

That is what we're cool, EV bike.

Speaker 3

E bike or scooter?

Speaker 4

EV2 we'll let me not use the word bike. It means you will think it is.

Speaker 3

OK, that's what?

Speaker 4

More said. I don't want to say.

Speaker 4

The wrong, but it is a two Wheeler.

Speaker 4

It's a cool two bigger let me let me tell you it will really really surprised about.

Speaker 3

So you guys have done the design development?

Speaker 4

Supply chain, manufacturing, everything.

Speaker 4

Therefore, the global oil markets, we will have same platform for our TV.

Speaker 6

So so more a little bit like moruti and.

Speaker 3

Yeah, it's it's their product. Everything is there BMW just.

Speaker 4

There, there. There is no Jerry here.

Speaker 4

Please understand the relationship between BMW and TV is we are not invested, they have.

Speaker 4

Not invested in devious.

Speaker 4

It's a pure partnership of both companies developing common platform and using in their own branding.

Speaker 4

To that extent, I can, I can.

Speaker 4

There are 310.

Speaker 4

Now they have launched the same, right?

Speaker 4

Back in India.

Speaker 1

Yeah, so the budget.

Speaker 3

Has been re batch as a BMW, yeah.

Speaker 3

So same TDs product.

Speaker 8

So it's entirely the strangers are different.

Speaker 4

Brand alone is BMW. That's it. Everything.

Speaker 3

Else is trivial, so tears design busy. They're saying that this design is good and we use it for BMW.

Speaker 7

No freaking or the right.

Speaker 4

At that.

Same night.

Speaker 4

Different error types.

Speaker 3

The colour colour scheme will be different colour schemes.

Speaker 3

And higher price?

Speaker 5

Does economics work for you? Is it?

Speaker 4

So it's not the economics I think.

Speaker 4

You have to look at from the confidence of.

Speaker 4

The BMW brand.

Speaker 4

If somebody has to put the BMW brand on your product, you should be feeling proud that they are recognising your quality equal to the.

Speaker 4

No, no such company will lend their brand.

Speaker 1

Is it?

Speaker 1

Actually different, right?

Speaker 1

Overseas then. Is this cool?

Speaker 7

We'll be together and now, they say.

Let's take a.

Speaker 1

And can you marry or people?

Speaker 4

We can, we can market.

Speaker 4

Every month.

Speaker 1

I said well.

You must know.

That he, actually.

Speaker 3

About HP tennis BMW.

Speaker 1

She's not supposed to be annoying.

Speaker 3

Just getting the customers sophisticated.

Speaker 4

And the price difference is the.

Speaker 9

Yeah, but what is most?

Speaker 4

More than the price difference, I think if brand like BMW can say that I want to use your product to put my rant there, that is not easy.

Speaker 4

It's not.

Speaker 4

I I don't think in the history there will be many.

Speaker 4

Such cases environments.

Speaker 6

A newspaper. I saw the interview about you. They spend 80% of time to do the electricity two Wheeler.

Speaker 6

Then what?

Speaker 4

I should be careful.

Speaker 6

And may I know a little bit of how to use banner 80%?

And what that is?

Speaker 4

Sea ice. Ice, like I say.

Speaker 4

Pop management I I think this company knows.

Speaker 4

I is very well.

Speaker 4

And there are.

Speaker 5

Enough people who are.

Speaker 4

Trading on products and technology and manufacturing and supply chain.

Speaker 4

Yeah, asked me the same question about five years back when you're having the relationship with BMW, I would have said no.

Speaker 4

But today, thanks to BMW also, now we know that even in developed markets our engineers know what to design, what to develop, how to deliver, how to deliver the parents quality.

Speaker 4

Now he really all of us need to learn.

Speaker 4

It is learning and developing and putting into the market. So it's a combination. It's not only for me, the entire top management of the company understanding EV technology and we believe once you are serious you have to design yourself.

Speaker 5

OK, not source a few parts.

And assemble and give it to the.

Speaker 4

Customer that is not going to make a decision.

Speaker 4

When I said 80%.

Speaker 4

Significant proportion of my time. OK, goes only on that. For example, we have now.

Speaker 4

A dedicated team of 150 people in.

Speaker 4

The digital side.

Speaker 4

Two years back, it was.

Speaker 4

Not there.

Speaker 4

So even interviewing the understanding and there is lot of reverse mentoring you get.

Speaker 1

From them.

Speaker 4

They will teach.

Speaker 4

You many things which you.

Speaker 1

Don't know honestly.

Speaker 3

Digital systems? What software or?

Speaker 4

Is it every every?

Speaker 6

Aspect of digitization. How?

Speaker 4

How things are.

Speaker 4

Going to be looking differently in.

The future.

Speaker 4

Same way the software.

Speaker 4

Set? Yeah, same way the electronics, right?

Speaker 4

OK, same way. Who knows motors, controllers, the new new series of C We know very well on the chassis side, on on the basic motorcycles or scooters we know.

Speaker 4

But they in theory.

Speaker 4

We sell sell chemistry, cell technology, behemoth.

Speaker 4

There's a huge list.

Speaker 3

So so how big is the RND function for EV and in totality because there will be lot of shared.

Speaker 3

Services also right between EV and.

Speaker 4

I I think what is more important is.

Speaker 4

Not so I I think the right, yeah, sorry. Right.

Speaker 4

Area you need rest.

Speaker 4

So far we have not disproportionately invested in digital or software or electronics in a big way. I'm not saying we.

Speaker 4

Don't have people.

Speaker 4

But this is disproportionate.

Speaker 4

This is going to make.

Speaker 4

I believe is that you know.

Speaker 4

It is. It is going to be a.

Speaker 4

Smart phone on wheels.

Speaker 4

Future is going to be smart phone on wheels people also use.

Speaker 4

It for mobility or community?

Speaker 6

It's a Tesla, so.

Speaker 6

It's a weird on.

Speaker 6

On computer, another computer on wheels.

Speaker 6

So do you agree? And why are?

Speaker 6

We going there?

Speaker 6

Always being fully computerised, digitised and controlled by the computer to the very deep of.

Speaker 6

The whole system.

Speaker 4

See the? The only biggest difference is.

Speaker 4

We always invest.

Speaker 4

In the core technology.

Speaker 4

That may be the.

Speaker 4

Reason our R&D costs are.

Speaker 4

Higher, yeah.

Speaker 4

Our product costs are higher or depreciation sizes?

Speaker 4

Many times people ask me you compare your competition.

Speaker 4

Why your depreciation interests are higher? Why your marketing costs are here? You have too many brands.

Speaker 4

Customer segment and we differentiate.

Speaker 4

No, I I.

Speaker 4

When you travel platinum customers, the platinum customer.

Speaker 4

Customer if you combine them, I don't think people.

Speaker 4

Will be happy.

Speaker 4

They won't come back again.

Speaker 4

And many, many friends. I always tell them I don't work for this quarter I.

Speaker 4

Promise you.

Speaker 4

Will this company this brand?

Speaker 4

Will be there for 50 years, 500 years.

Speaker 4

That that is.

Speaker 4

What you need this side and then say these are the.

Speaker 4

Investments they are going to make.

Speaker 4

Sure, for much focused on I.

Speaker 4

I'm not against profit, don't don't get me wrong.

Speaker 4

But will I be?

Speaker 4

Aspiring to become 20% better.

Speaker 4

I also want 20% every time.

Speaker 4

But not at the cost of investing banner MD capability brand.

Speaker 4

Those areas if we have to.

Speaker 4

Invest. We will invest.

Speaker 8

So if you have to.

Speaker 8

Who list out the areas that you need to.

Speaker 8

Invest by priority.

Speaker 8

What up with that?

Speaker 4

Now the priority is fully, fully.

Speaker 8

Within the EV, how? What would be the priority?

Speaker 4

All, all, all products, all products.

Speaker 4

All, all the areas I I told.

Speaker 4

You the core is.

Speaker 4

Wherever the customer differentiation has to happen, we.

Speaker 4

Have done this.

Speaker 8

Which would be disabled, yeah indeed.

Speaker 4

I may not be able.

Speaker 4

To share quality, but I can give you.

Speaker 1

Yeah, yeah.

Speaker 4

An analysis analysis.

Speaker 4

You look at Jupiter, there is a 110.

Speaker 4

Even in Jupiter one.

Speaker 4

Thing. You have a set X version, you have a classic version, you have a Grande version.

Speaker 4

OK, now we have a connected Jupiter.

Speaker 4

Then we have a 125 will be done.

Speaker 4

When you go to 125 computer you have.

Speaker 4

Seen the complete design?

Speaker 4

It has got two helmets, it has got a friend fuel filling. It has got the entire gasoline tank is in the bottom completely. It is not just making engine alone to 125 which many other people.

Speaker 4

OK. That is not addition to the consumer.

Speaker 4

Every time you you have to give disproportionate value to the customer.

Speaker 4

OK. And then in term, in terms, is a completely new version of?

Speaker 4

Engine it gives the.

Speaker 4

Best power it is for young people, young men and women.

Speaker 4

And what even voices?

Speaker 4

I can only give you an analogy today.

Speaker 4

All this will be seen.

Speaker 4

In the eagle space.

Speaker 3

So software clearly stands out for you connectivity software, but.

Speaker 8

Yeah, yeah.

Speaker 6

As a culture oriented bother you have difficulty to acquire.

Speaker 6

Engineer to do that.

Speaker 6

I think the most traditional industry guys has a difficult to alert technician.

Speaker 6

To join them.

Speaker 6

Like like.

Speaker 6

Last waggon my my stories.

Speaker 4

Have you have?

Speaker 4

You seen any of our voice connected?

Speaker 4

Or connected clusters or have you have?

Speaker 4

You tried any?

Speaker 4

Of how we didn't get the.

Speaker 3

Time to be honest.

Speaker 3

And OK, in order to answer this question, those are in house or it's in House developed by you guys?

Speaker 3

Right.

Speaker 3

In US, what will be the strength of your software team across everything?

Speaker 4

Is it going to solve the problem?

Speaker 4

I think please understand you need to have.

Speaker 4

We we firmly believe that.

Speaker 4

You need to have. I'll give you an.

Speaker 4

Analogy. If you need technology, it's not that number of people will give you technology.

Speaker 4

You need to know where you will get the technology, how you have to get the technology, what are the core competence we need to.

Speaker 4

Build in house.

Speaker 4

30 years back, we partnered with.

Speaker 4

Best in class universities globally.

Speaker 4

We put our students there.

Speaker 4

They did their PhD.

Speaker 4

Did there. This PhD was developed 10 years back.

Speaker 4

Not today.

Speaker 3

And that was a plug in hybrid or?

Speaker 3

Something like that?

Speaker 4

We started somewhere the general.

Speaker 4

OK.

Speaker 4

And our other other.

Speaker 4

We spend something like 40 engineers every year to Western class universities globally.

Speaker 4

So there is a quite a lot of investment.

Speaker 4

In people learning technology that the actual whatever inside the five kilometres from here every day we train about 600 people.

Speaker 4

On various subjects, including quality tipm basics.

Speaker 4

Two EV advanced future mobility there.

Speaker 4

Are there are.

Speaker 4

Best in class processes globally. There are best in class consultants globally. We don't mind investing in developing people.

Speaker 8

Is there technology transfer between you and BMW on the front?

Speaker 8

All the time.

Speaker 4

It's not technology.

Speaker 4

Transfer I think you learn from each other.

Speaker 3

But the core product is yours. It's 8 even.

Speaker 4

Yeah, it's a, it's completely.

Speaker 3

In outside.

Speaker 4

Stand by our team, so they reflect our capability. We have their capability. So there is always enough when people sit together. There is a mutual learning, yeah.

Speaker 4

Oh, you tried this testing? No? Or this is a very test. OK, this is the way it is done in Munich. Is the rate is done in your? Oh, these are the things which we will have to look at when somebody will say no.

Speaker 4

This is the way we do.

Speaker 4

It in Rajasthan, you know.

Speaker 4

Rajasthan is one place. It is 50 degrees.

Speaker 4

60 degrees it is even versus and gulf countries.

Speaker 4

When it is summer who we have not even heard about that kind of temperature. OK, so this is the type of test items.

Speaker 4

There is a there is always, I believe, that any relationship has got mutual love. There's nothing more technology transfer in one way.

Speaker 4

Win win works. Yeah, it.

Speaker 4

Is only flow in one.

Speaker 4

Direction it will never be.

Speaker 4

The floor has.

Speaker 4

To be together. Otherwise, why should I spend time and tell you these are the things I?

Speaker 4

Do nobody will tell.

Speaker 4

You, they.

Speaker 4

Expect something from you.

Speaker 4

Oh, these things I can learn from your brilliant. Then I can also teach you what I have.

Speaker 8

Which TV player? Probably?

Speaker 8

Do you look at to learn to pick up the next?

Speaker 4

I don't, honestly, we don't look at any.

Speaker 4

Because when you look at the customer for example.

Speaker 4

We find that.

Speaker 4

That customer usages are different, customers are different.

Speaker 4

Customer challenging behaviours are different.

Speaker 4

Then you have some challenges, for example.

Speaker 4

Suppose you see somebody like when we will do again analogy when we went to Africa and some of the African market that.

Speaker 4

We go to.

Speaker 4

Rural we find that people are using.

Speaker 4

They're using. They're using something else. I can't.

Speaker 4

Say that that is not the.

Speaker 4

Kerosene to be used that that is.

Speaker 4

Not the fuel.

Speaker 4

To be used.

Speaker 4

OK, the dust levels are different.

Speaker 4

I can't say that you know my wife will work only in.

Speaker 4

This this condition.

Speaker 4

How to make your bike work in those conditions?

Speaker 4

Windows oil, windows things. Put the dust. See what kind of filtration you need to have.

Speaker 4

So to me everything is customer. Customer use a.

Speaker 4

Temperature, I said. You know?

Speaker 4

You won't see anybody talking about 50 degrees and 60 degrees. The moment somebody said oh, Pakistan is like that. We have never heard about Rajasthan. We know only Gulf countries which goes it is in India.

Speaker 4

So you, you right there during peak summer?

Speaker 4

Then you realise, oh.

Speaker 4

And this and also during that you know that two fun what you called the Sandstorm in the peak summer you get it.

Speaker 4

You know, you get it like that. Wonderful.

Speaker 4

But you go to.

Speaker 4

These people, they will tell you minus 10 -, 15.

Speaker 4

Which many people will.

Speaker 4

Say yeah, minus 10, minus.

Speaker 4

15 is OK, no problem.

Speaker 4

But more and more, more and more higher temperatures than any problems. So there is a mutual learner and seem to say with the suppliers, so you got a good supply.

Speaker 4

No mother, son, Sumi or syrup distance or somebody?

Speaker 4

They will not just take whatever you say as an OEM they say hold on hold on we they will say they will have a structured questions on the customer usage and say OK this is your requirement we will come back to you.

Speaker 4

So I always.

Speaker 4

See this kind of whole creation I I used.

Speaker 4

The word procreation.

Speaker 8

Do you think it's necessary to have so many emails?

Speaker 4

Definitely you need to have manufacturing in house.

Speaker 3

I said my.

Speaker 1

Consent to that.

Speaker 4

To make this tool.

Speaker 4

The reason?

Is the.

Speaker 6

The the the the.

Speaker 4

The chemistry is changing. We started out in 18650, now it is.

Speaker 4

21700.

Speaker 3

You started with 80s, that's much more expensive. Complicated, right?

Speaker 1

Right.

Speaker 4

In 6:15 is available by the time we start up with that.

Speaker 4

Now the next.

Speaker 4

Series has come. Now next series will come.

Speaker 4

So there is the cell manufacturers have got their own energy density, cost, volume, the the the the electric various combinations.

Speaker 4

Application cylindrical also.

Speaker 4

The variability is so huge.

Speaker 4

And each one has got the best application.

Speaker 4

So I don't think this is the right time to decide.

Speaker 4

Yeah, in my opinion designing A2 Wheeler or designing.

Speaker 2

A 3 Wheeler which is ranked by.

Speaker 4

The customer is our prayers.

Speaker 4

Yeah, and work with those.

Speaker 4

Outstanding quality suppliers at this point of time and that's.

Why? I said.

Speaker 4

Certainly contribute by.

Speaker 4

But that guy has got a very detailed.

Speaker 4

Decision making, you know.

Speaker 4

And standards and quality and safety and every parameter.

Speaker 4

And then you.

Speaker 4

Say OK, we will partner.

Speaker 4

With them and we lie from Lamorella.

Speaker 4

And they will do the research, and we have to be aware that these are the things which.

Speaker 4

Are likely to change.

Speaker 8

The VM is.

Speaker 8

That in house, right, because that.

Speaker 4

VMSS hours because it has.

Speaker 8

Is yeah.

Speaker 4

Got an influence on the customer, the performance, the characteristics of the bike.

Speaker 4

Yeah, when I say.

Speaker 4

Bike don't get me bike 2 wheel.

Speaker 1

That's cool.

Speaker 4

We quite often use the word by.

Speaker 4

Lightning is not possible so.

Speaker 7

So BMS technologies we have developed in house or we have partnered with someone?

Speaker 4

You know, in awesomeness.

Speaker 7

And what other critical components we are planning?

Speaker 4

Patrollers bcuz.

Speaker 7

So we are planning to do that in House VC is also.

Speaker 4

We already done.

Speaker 3

The power controlling right corner.

Speaker 4

OK. Continuous integrated VCU, including the display the TFT.

Speaker 4

Whatever you see in ice cube is all designed and developed by us.

Speaker 1

Right.

Speaker 3

OK. So motor, you didn't mention motor?

Speaker 4

Motor we partner with some of the Suppliers Design Co created OK because as requirements on the motor for delivery of certain performance you know. So we created this motor is 1 area maybe we will decide which type of motor maybe we have to buy.

Speaker 4

Which motor we have to make?

Speaker 4

Those discussions will come, that's why.

Speaker 4

I said, you know all this.

Speaker 4

Will get involved in the next.

Speaker 4

3/4 four quarters, five quarter, six quarters.

Speaker 4

So you will see a big big.

Speaker 3

Change and different application may need different requirements.

Speaker 4

And all this.

Speaker 4

Requires your maximum time.

And is.

Speaker 4

Which type of?

Speaker 4

Motor you have to decide. Then somebody will say.

Speaker 4

What amount of, you know, in case of vomiting is available because of geopolitical reasons, should we make that kind of a motor or somebody has got a patent? OK, so you need to get involved?

Speaker 4

So that is why.

Speaker 4

He is the.

Speaker 4

Learner complete, learn and you learn.

How much of?

Speaker 5

The supply chain is the reading available. We didn't hear such that we can.

Speaker 1

The industry.

Speaker 4

I I think India.

Speaker 4

About one thing I left you my.

Speaker 4

Experience in the last two to three years.

Speaker 4

I think there are.

Speaker 4

Some suppliers who are really, really able to.

Speaker 4

Think about the box. I will.

Speaker 4

Give you 3 examples.

Speaker 4

You saw.

Speaker 4

That cluster, the TFT cluster where there are big companies or Bachand, Conley globally.

Speaker 4

So we are discussing with them.

Speaker 4

One they always look at the high end.

Speaker 4

Their priority goes there. They get good prices.

Speaker 4

And lot of.

Speaker 4

Development costs, they hit.

Speaker 4

So every time they will say that, yeah, we will give you this is very important.

Speaker 4

And I was going and going and going and going and going, but in my view.

Speaker 4

If you look at it.

Speaker 4

Customer, he says.

Speaker 4

I'm willing to pay.

Speaker 4

So the premium customers?

Speaker 4

They're ready. They're not looking at the money there. They want the feature, they want the technology.

Speaker 4

Will be surprised that is completely made it supply our design. He made it complete.

Speaker 6

But that's also amazingly why Indian custom want so many functions. Even their budget might be limited or let's consider 2 Wheeler buyer. Mostly not that rich or they they are cost sensitive.

Speaker 6

Like all I've been told by the user of moruti the success of my routine because of the design of the carbon, we keep the maintenance low, maintenance costs low. Fixable.

OK.

Speaker 6

And blah blah.

Speaker 6

Blah, all army killed costs rhinos from yesterday.

Speaker 6

Today and where I have a, our team have.

Speaker 6

Visited many different error in this area, but all of them told us we are arming a little bit higher.

Speaker 6

And with more function.

Speaker 6

Mother less, less, let me.

Speaker 4

Ask you why everybody bites.

Speaker 4

Because they are.

Speaker 4

And what is the series 14 or 13 point? I always get confused because every time there is a new series.

Speaker 6

It's a fancy. It's.

Speaker 4

I have a brief.

Speaker 6

All bankers have smartphone.

Speaker 4

We'll have lunch.

Speaker 6

I think I, I think I.

Speaker 6

Phone penetration rate in my company is about 95%.

Speaker 4

Global situation, not only India.

Speaker 4

Everyone thought that the pandemic is going to create more problem, but every company in my understanding had an extremely well whoever has.

Speaker 4

Been dealing with premiums.

Speaker 1

OK.

Speaker 4

We discussed about issues in the.

Speaker 4

Entry level, more paired and motorcycles.

Speaker 4

You go to my market.

Speaker 4

My meals doesn't have Apache.

Speaker 4

And LS doesn't have Raider might users doesn't have high end any of the product.

Speaker 4

Rich people are rich.

Speaker 4

In India.

Speaker 4

OK.

Speaker 4

Even 1% is a huge market.

Speaker 4

OK.

Speaker 4

This is not only for two minutes.

Speaker 1

Even more cost.

Speaker 6

OK, that that way. Period.

Speaker 4

So Molly was the phenomenon of.

Speaker 1

2020 years back.

Speaker 4

Second, OK, recently I'll give you one example. I have two daughters. I asked from doctor What Car?

Speaker 4

You want here.

Speaker 4

Self host.

Speaker 4

Indians aspirations.

Speaker 4

I'm awkward. Customer walks into a showroom. OK, we will 1st to go to arils theatre. You walk.

Speaker 4

Around you will see that.

Speaker 4

Yeah, then you ask.

Speaker 6

It you were.

Speaker 4

Anyway, interested in moped? No, no, no.

Speaker 4

I am looking Earth written at some.

Speaker 4

Point of time I can.

Speaker 4

Buy to my son.

Speaker 7

Oh my God.

Speaker 4

That is why everybody wants to invest in India.

Speaker 4

Aspiration, aspiration as the very young country.

Speaker 4

Thank you in the weekend.

Speaker 4

Go to any highway. You will be amazed.

Speaker 4

People having big and bites again scooters.

Speaker 4

All premium products clumps.

Speaker 1

OK.

Speaker 4

Everybody will be riding.

Speaker 4

From India you go to any.

Speaker 4

Any flight business class will be always full.

Speaker 6

Oh yes.

Speaker 6

Base class info.

Speaker 4

So I think answers I.

Speaker 4

Always tell the people, look, India is the place.

Speaker 4

So the consumer segment is also like that?

Speaker 4

The escalation levels are there.

Speaker 6

Let's see, OK?

Speaker 6

If even that's right, but for two Wheeler.

Speaker 6

If I am.

Speaker 6

This side.

Speaker 1

I I don't.

Speaker 6

Wanted two waivers so if only people is on this side 1/2.

Speaker 4

Learning. Second, they look at something like.

Speaker 4

Jupiter or they will look at something like a scooty or they will look at entry level motorcycle.

Speaker 4

Or moped.

Speaker 4

They may. They may say that.

Speaker 4

Look, I don't have, I have.

Speaker 4

Only so much of money I call.

Speaker 4

This budget customers.

Speaker 4

So they will say, look, because they are completely, completely driven by the economy, agriculture.

Speaker 4

The income, what they get.

Speaker 4

This is very, very important that we.

Speaker 4

Cannot forget about that.

Speaker 4

But the young country, young people aspirationally high, OK? For example, when I look at North plus.

Speaker 4

The BJP plus repeater. 125 plus Raider, my.

Speaker 4

Face is more.

Speaker 4

Than 40%.

Speaker 4

And month after month it is going out.

Speaker 4

It is coming up.

Speaker 1

OK, they want latest.

Speaker 4

They want rightmost. This bike has got writing notes. Why? Why?

Speaker 4

I want write notes. Here I am.

Speaker 4

You know, we have a concept called built to order.

Speaker 4

Then we go into one, so we even menu and you so my team presented to maintain or we will have 50 per month capacity. I said don't even start.

Speaker 4

You'll have.

So many customers.

Speaker 4

I said minimum 200.

Speaker 1

To 2:50.

250.

Speaker 3

What's the price of? What's the price?

Speaker 1

Yeah, yeah.

Speaker 3

Three after blacks.

Speaker 4

Since he knows Marie, I'm telling him.

Speaker 3

350 to 4.

Speaker 7

100,000 he wants to really show.

Speaker 4

These features.

Speaker 6

So just like a A secretary always has the best iPhone, yes. Yeah.

Speaker 4

So I think I.

Speaker 4

Think the reason why I spoke about India and aspiration is.

Speaker 4

India is not huge opportunity.

Speaker 4

And India unfortunately doesn't have good public transport.

Speaker 4

But lot of investments in the roads. But if?

Speaker 4

You look at last.

Speaker 4

36 months or 14 months?

Speaker 4

We had PS3 to VS4.

Speaker 4

Then we have GST. This is 2818% more for GST is 28%.

Speaker 4

Here here.

Speaker 4

OK, he will tell you more details.

Speaker 4

They take 18%, that is 28%. OK, then we.

Speaker 4

Had BS, then we.

Speaker 4

Have a show.

Speaker 4

All time headline on you.

Speaker 4

So you you see India?

Speaker 4

OK, but somebody benchmark your knowledge, yeah?

Speaker 4

Then safety standards ABX, 125CC and above APS you travel university. How many people are able to travel 100 kilometres? 125 kilometres?

Speaker 4

Then we have V6 V S4 tubes.

Speaker 4

Then our insurance, because there's no third party insurance.

Speaker 4

Should be five years.

Speaker 4

OK.

Speaker 4

Send alarm.

Speaker 4

Three years the price of the products have gone up by 40%.

Speaker 4

But during this period we have almost 24 months of lockdown, no income for the 50% of the self-employed in the rule.

Speaker 7

That is what we are going through.

Speaker 4

But I'm pretty confident that give some time.

Speaker 4

This civilization will be good.

Speaker 4

And give some time. Give some time because these consumers are very aspirational.

Speaker 4

They want to buy the bike because they don't. They reach mobility needs.

Speaker 4

Half of them they are either plumber, Carpenter, electrician. They go home to home, they repair.

Speaker 4

They get the.

Speaker 4

Money they supply, they deliver some parts.

Speaker 4

That is the job.

Speaker 8

Confirm something like this, like his point is that is that if if you want to target the aspirational segment under each segment, they will be buying a four Wheeler high end. So if you look at the people who are buying 2 Wheeler, it's people who can't wear affordability.

Speaker 4

I said no. I see people use four Wheeler.

Speaker 4

Majority of the people. I'm not talking about the high end BMW 7 Series.

Speaker 4

I'm talking about a common man.

Speaker 4

People like him.

Speaker 1

Yeah, I use this service.

Speaker 4

He will be using a car.

Speaker 4

And he will also.

Speaker 4

Use the 2D yeah, his.

Speaker 4

Wife also will listen to me.

Speaker 4

You know one of the.

Speaker 4

Questions, I was.

Speaker 4

Asked when Nano was going to be launched, what will happen?

Speaker 4

To them, I said. If Norma is successful.

Speaker 4

Because customers.

Speaker 4

Those set of customers will.

Speaker 4

Buy a car to use it for.

Speaker 4

The weekend to handle.

Speaker 4

But regular days they will use only.

Speaker 4

If your total cost of ownership.

Speaker 4

And the major investment in their life.

Speaker 4

This car is a major investment.

Speaker 4

In their life so.

Speaker 4

They will. They will keep it for very, very important.

Speaker 4

Inside with the family.

Speaker 8

So basically you are saying is that even that that segment where they?

Speaker 8

Can afford they.

Speaker 8

Will still buy a computer and.

Speaker 4

Have you, have you visited Indonesia?

Speaker 4

OK.

Speaker 4

Then when we did initially, I was shocked.

Speaker 4

Indonesia people have small houses, maybe 1/3 of.

Speaker 1

The safe houses.

Speaker 4

Men use, women use.

Speaker 4

Yeah, and you know what they.

Speaker 4

Do because I.

Speaker 4

I stayed with them to understand.

Speaker 4

They keep the Vivek and discover inside the house and lock.

Speaker 4

It and they.

Speaker 4

Will sleep outside.

Speaker 4

Not joking, please visit.

Speaker 4

Especially people from Singapore and.

Speaker 4

Taiwan, please visit.

Speaker 4

OK. Whenever they're giving it for service industry.

Speaker 1

In person.

That way better.

Speaker 4

They will be sitting.

Speaker 4

Here the mechanical looking at the bike applied leave to his job that day, half a day.

Speaker 2

Because in his life.

Speaker 4

This is the most precious thing.

Speaker 4

Not even his wife. Sorry.

Speaker 7

OK.

Speaker 4

And he, he or she tells.

Speaker 4

That this is the most important investment.

In their life.

Speaker 4

It cannot be stolen.

Speaker 4

And hopefully mechanic cannot.

Speaker 8

Move any.

Speaker 3

But I want to see.

Speaker 4

What does that mean?

Speaker 4

India may not be so so.

Speaker 4

Much attachment to the two Wheeler, but some rural it's so much attached.

Speaker 1

You know they give.

Speaker 4

So much importance for a 2 Wheeler in their.

Speaker 4

Life it's a.

Speaker 4

Very, very important, important investment in somebody life.

Speaker 6

Some majority people even you buy a two Wheeler.

Speaker 6

Still want to go toilet style?

Speaker 6

With something you precious or product.

Speaker 3

The ones we want to buy two? Another one.

Speaker 3

Or one which is.

Speaker 3

Stylish or has no?

Speaker 1

Features or.

Speaker 4

I'm telling you something.

Speaker 4

For example, Norway.

Speaker 4

There was a discussion inside the company. Should we give?

Speaker 4

The FI technology or we can view the carburetor technology cover.

Speaker 4

Yeah, by technology use the best in class fuel efficiency and total cost of our machine.

Speaker 4

And this was the bike where we build the highest first.

Speaker 3

Integrated strategy.

Speaker 4

Because it gives a lot of consumable.

Speaker 4

Convenience, fuel efficiency.

Speaker 4

So this guy.

Speaker 4

Gets very small money, so we said to a moped customer we.

Speaker 4

Should improve its productivity.

Speaker 4

No kidding, no extract only.

At this time.

Speaker 9

OK.

Speaker 4

So that his knee problems, so we looked at what are the pain points of?

Speaker 4

The customer what is the total?

Speaker 4

Cost of ownership and then we decide the technology.

Speaker 4

To be given.

Speaker 4

To the more I'm taking.

Speaker 4

More present example.

Speaker 4

So many times.

Speaker 4

Please do not only focus on the premium customers who is willing to pay.

Speaker 4

Look at every customer.

Speaker 4

And say what is it his value?

Speaker 4

And give that great.

Speaker 9

You mentioned daughter bending curve is happening on product make or buy decision in terms of market. So will in the next 3-5 years till India be the main marketer in Southeast Asia?

Speaker 4

We can leverage these products.

Speaker 4

For example, say my cube can be sold both in all export markets and even the development.

Speaker 4

But after today the constraint is.

Speaker 4

Any market you enter, you have fulfilled the wall.

Speaker 4

So I don't see that we started with Bangalore.

Speaker 4

And we expand.

Speaker 4

We went to 33 cities, now we are in 88.

Speaker 4

Already booking is more than 25,000. I don't want to.

Speaker 4

Book because still booking everybody will be.

Speaker 4

Gentlemen, the moment you take some money from him, then he.

Speaker 4

Will say no I.

Speaker 4

Why every semiconductor company is trying?

Speaker 4

To improve it is.

Speaker 4

Still not up to the level what we want.

Speaker 4

We want immediately.

Speaker 4

10,000 to be delivered, you know, 2-3 months of 10,000 or 15,000, then we may enter into one or two markets. But you're right, absolutely right. There is a great opportunity.

Speaker 4

We may have to have certain modifications on certain parts based on the level. I won't say that the same predominantly the same platform will be used in the mountains.

Speaker 9

In any of these markets you are seeing some adoption. I'm in Southeast Asia.

Speaker 4

I think there are, there are, there are, there are.

Speaker 4

For example, every market.

Speaker 4

Is going through the journey what, India?

Speaker 4

Is going through.

Speaker 4

Every market is talking about TV, for example Indonesia. I know some people are also testing.

We are there.

Speaker 4

Yeah, our dealerships are there, but I don't have today the capacity, not capacity delivery capability, but it will happen.

Speaker 3

And on the sticking with CVS.

Speaker 3

How do you think about the viability and because there's a lot of companies are using lot of money especially the startup. So how you look at it as a philosophy and as EV ramps up?

Speaker 4

So to me this will.

Speaker 4

Also, what we?

Speaker 4

Did to devious credit services or ingredients?

Speaker 4

Anyways, when we invested about 8-9 years back, we have to come up with completely new set of products. Neo talks that none of themselves in India.

Speaker 3

Scuba Webex. Go back. Can be next.

Speaker 4

So we design, develop and we have a full Time Team in Indonesia. We have a plan to there may not be so big but smaller size band, but we there is a main shock, but there are basic things we don't compromise on quality.

Speaker 4

Customer is important for us, so we treated.

As an investment.

Speaker 4

And we had some challenges, you know, because.

Speaker 4

98% Japanese and almost.

Speaker 4

95% is.

Speaker 4

Retail finance and the retail finance terms the dependent on the volume whether it is the.

Speaker 4

The initial you know when they might interest.

Speaker 4

Exactly like India. So we had some challenges.

Speaker 4

But we stayed back. The good news is we stand back and said customers like our product, but there are challenges. No competition is going.

Speaker 4

To be easily.

Speaker 4

Allow us to succeed.

Speaker 1

But today?

Speaker 4

Now we're able to see the multiplier.

Speaker 4

Effect more and more people.

Speaker 4

More and.

Speaker 4

More countries wanted so.

Speaker 4

Same thing will happen here also.

Speaker 4

But the good news is from negative margin we.

Speaker 4

Are going to positive.

Speaker 3

On the cost below material doesn't.

Speaker 4

And it will happen. See like I said, customer once she access the demand is assured, then the top line is session, yeah. And the top line comes. Dealers are happy, some dealers are happy.

Speaker 4

OK.

Speaker 4

Correct. And volume gives you the luxury of looking at the total cost.

You know.

Speaker 3

Positive, sorry. And of course the subsidy.

Speaker 3

Benefits are included in that, but that's.

Speaker 4

Subsidy is not a bad word.

Yeah, I know.

Speaker 4

Yeah, when India started exporting, every country had sought some support from the government. We started with 1415% export benefit.

Speaker 4

Right.

Speaker 3

And your exports are still very properly.

Speaker 1

So so there is a learning curve.

Speaker 4

In any business there is a.

Speaker 4

Learning curve in the learning curve.

Speaker 4

You focus on the customer, we focus on the quality. Never make shortcut.

Speaker 4

Yeah, I have to somehow sell.

Speaker 4

Some numbers.

Speaker 4

That is not the image you have to be sustainably looking at quarter after quarter at build Grand Grand Grant come with a lot of products, put the right infrastructure, partner with companies. For example, in the space we have partnership with Tata.

Speaker 4

We have now Geo.

Speaker 4

And we have to look at more of the future people who are going.

Speaker 4

To we.

Speaker 4

Don't know which.

Speaker 4

Is going to be.

Speaker 4

As of now, customers are using.

Speaker 4

Faster than is possible.

Speaker 4

Along with the new IQ.

Speaker 4

Most importantly, you keep yourself my view focused on the customer, customer usage and agile and see how things are shaping.

Do you?

Speaker 8

Think absolutely without per unit for EV.

Speaker 8

Would be higher than price.

Speaker 8

Longer in the in the long term.

Speaker 1

It's hard to see.

Speaker 4

I look at these are investments for future.

Speaker 4

This question is like left eye is important or right? For me both eyes are.

Speaker 2

No problem.

Speaker 2

I point like when you described anyway, as the smart phone on wheels.

Speaker 2

If we were to compare.

Speaker 2

Margin? That's not fun.

Speaker 4

Learning, learning, learning Sir. I can also counter also saying that today I don't.

Speaker 4

Export to many of the developed markets.

Speaker 4

Developed market you get better price.

Speaker 4

Or the same?

Speaker 4

And I have made more margin.

Speaker 4

But I'm.

Speaker 4

Not in the margin game.

Speaker 4

Not the margin. Margin will come here. Focus on the customer, focus on the technology, giving the best to the customer. Top line will come when.

Speaker 4

The complaint is there, every language.

Speaker 2

It's not.

Speaker 2

When we.

Speaker 4

So maybe it is a 2 stroke, the four four down to EV. Tomorrow somebody will come up with hydrogen. Somebody will come up with new technology revolution.

Speaker 4

I think.

Speaker 4

OK, and we should not compare.

Speaker 4

Which technology is going to give you more?

Speaker 4

And more problem nobody knows.

Speaker 4

OK, but you you.

Speaker 4

Focus on the volume because driven by.

Speaker 1

Volume, so costs.

Speaker 4

Are dependent on the volume.

Speaker 1

OK.

Speaker 7

How much is localization in Eaves right now and what kind of percentage localization you are looking by when?

Speaker 4

Only happen.

Speaker 4

Getting from the cell is having most other ones.

Speaker 4

But all of you know there are many companies are going to.

Speaker 4

Invest in India.

Speaker 4

It may take three years, four years.

Speaker 4

So maybe you start with import initially on sell?

Speaker 5

The rest are not.

Speaker 4

So critical, right? That's why I, cook said.

Speaker 4

Many people who are working on this.

Speaker 9

So it is.

Speaker 4

Is it is going to be.

Speaker 4

Start with.

Speaker 4

And like important, but over a period.

Speaker 4

Of maybe three years 4.

Speaker 4

Years, many things will be completely in India.

Speaker 4

In House investments to succeed or Indian investments volunteer.

Speaker 4

What is needed?

Speaker 4

Customers have access your product.

Speaker 4

That's why it comes back. Cover examples, the customer.

Speaker 4

Acceptance. Is there any?

Speaker 4

Technology will not work.

Speaker 2

So interesting in.

Speaker 2

Terms of TV is like, you know, you were mentioning that.

Speaker 2

No, so I'm saying that, you know, you know, big change like this which is happening in terms of the entire industry getting, you know.

Speaker 2

Let's say getting a big turn.

Speaker 2

Answer How do you think about, you know, customer education where you say you know they want to buy whatever is going to be?

Speaker 2

Sold to them, right?

Speaker 1

What value that what causes?

Speaker 4

Second Honda deal.

Speaker 4

Have you seen the manual?

Speaker 4

I can't tell if I.

Speaker 4

Ask hundred of my ice cube customer.

Speaker 4

How many of?

Speaker 4

Them have bread.

Speaker 4

Yeah, you will.

Speaker 4

Get 1/3 incident of 110 guys.

Speaker 2

Correct, correct.

Speaker 4

How to charge so please understand.

Speaker 4

Customer is not so complicated.

Speaker 2

No, no. So he's not listening.

No, no.

Speaker 1

They they have.

Speaker 4

OK. And you bought the car or when I?

Speaker 4

Bought the car.

Speaker 4

Let me tell you, I have.

Speaker 4

OK.

Speaker 4

I just took a test, right?

Speaker 1

Hey there.

Speaker 4

On the.

Speaker 4

DQC electric or very good at right corner.

Speaker 4

It doesn't just, that's all.

Speaker 4

After that, convenient, right? That's all. Customers mind is not so complicated in my view. Customers are completely agnostic about that.

OK.

Speaker 4

Lot of discussions like.

Speaker 4

How many times you have read the?

Speaker 4

The manual of this.

Speaker 4

Honestly, I will tell you the person I don't know. What technologies are there? What features are there?

Speaker 4

This is customer behaviour so many times.

Speaker 1

I thought.

There may be a.

Speaker 4

Set of customers who are very taking.

Speaker 4

That you have to deal with separately, for example, if you are dealing with your arthritis right modes.

Speaker 4

Et cetera, et cetera.

Speaker 4

I've seen my dealers.

Speaker 4

Sometimes I have got a problem.

Customer was no.

Speaker 4

So you have to look at which are the models, which are the customers who are.

Speaker 4

Free in the technology and the.

Speaker 4

Feature actually have to deal separately.

Speaker 1

Proportion is very small.

And even SMS.

Speaker 4

Rather, they have.

Speaker 4

100 hundred IQ customer. I was shocked.

Speaker 4

Nobody said I use this. I use.

Speaker 4

That isn't here.

Speaker 4

I charge it at home.

Speaker 4

And I feel very happy. This is noiseless.

Speaker 4

The terminology is what they.

Speaker 4

Use is.

Speaker 4

No, no noise.

New line.

Speaker 4

Anything in it?

Speaker 4

Very smooth.

Speaker 4

And I can take my entire family like my Jupiter.

Speaker 1

That's problem.

Speaker 2

The question was then.

Speaker 2

Whoever reaches the customer first is going to be able to sell it to him, right? And if the customer is not discerning enough to, you know, kind of know the difference between, let's say something brought from China versus something developed in India, which is so.

Speaker 4

They agree with you, that's why you are seeing the low.

Speaker 4

Speed and the other speed is moving very fast.

Speaker 4

The moment he will start, I think you can tell him the numbers got some of my competition highlighted why it is not selling.

Speaker 4

Why go to their their?

Speaker 4

Online, this one they will give you.

Speaker 4

So many numbers.

Speaker 4

I do. I normally I don't.

Speaker 4

Talk about partnerships.

Speaker 4

Not easy.

Speaker 4

Customers knows.

Speaker 4

If there is a problem.

Speaker 4

They will need.

Speaker 4

Early morning.

Speaker 4

You have a.

Speaker 4

Two Wheeler, you know.

Speaker 4

Getting up between.

Speaker 4

6:00 o'clock to 6:50.

Speaker 4

Well, I know.

Speaker 4

And you go ahead and start, it doesn't start.

Speaker 4

One day.

Speaker 4

What will be your behaviour?

Speaker 4

Second completely.

Speaker 4

You have to look at the.

Speaker 4

Google customer he wants flexibility of his mobility whenever I want I should be.

Speaker 4

Able to go from place to place.

Speaker 4

So downtime.

Speaker 4

You if you ask.

Speaker 4

Select customer in in Nigeria.

Speaker 4

It's 200 kilometres every day.

Speaker 4

5-6 people, 1980.

OK.

Speaker 4

He doesn't want, you know, 10 minutes break.

Speaker 4

I I never seen people riding 200 kilometres 12 to 13 hours every day.

Speaker 4

No, that is the money.

Speaker 4

So depending upon the customer segment, we need to understand if you delivered at quality.

Speaker 4

Even Chinese will succeed here.

Speaker 4

I I'm not saying I'm not against, I'm not against anybody.

Speaker 4

Two important things I.

Speaker 4

Said this is the most important investment is customers like.

Speaker 4

OK, most important. So if I put 60,070 thousand ₹80,000.

Speaker 4

My learning of the lab.

Speaker 4

I think it doesn't stop or doesn't work.

Speaker 4

Whenever I want.

Speaker 4

I get please stop completely.

Speaker 4

And as you.

Speaker 4

Know the bad word of mouth travels much faster than the.

Speaker 4

Good word of.

Speaker 4

Mouth, nobody will say I haven't looked like.

Speaker 1

Thank you.

Speaker 4

He will say.

Speaker 4

But if I.

Speaker 4

Right interest if I have some problem.

Speaker 4

I will tell my friend, hey, don't.

Speaker 4

Buy this, OK?

Speaker 1

Right.

Speaker 4

I would try. I won't buy.

Speaker 4

This food is made by our campaigns.

Yeah, yeah.

Speaker 4

They've made and attempted many things, yeah.

Speaker 4

So give you a variety of South Indian, north Indian only which is there.

Speaker 1

OK.

Speaker 6

Oh, tasted.

Speaker 6

Oh, there.

Speaker 4

We we only registered in there.

Speaker 7

So in this.

Speaker 7

Increasing dealership are we looking at new?

Speaker 7

Dealers as well.

Speaker 7

Or are we giving more old DBZ guys the scripts?

Speaker 4

It is not a hold of me becoming bigger.

Speaker 4

How do how do I evaluate?

Speaker 4

Performance is based on.

Speaker 4

On one side, we look at the service.

Speaker 1

Coming back.

Speaker 4

What side I look at the Saints care and how they treat their customers, so we have a comprehensive score.

Speaker 4

And both dealers who are very pro customer, customer friendly such Steelers, we will continue.

Speaker 4

OK, and here honestly I don't know how it is going to pan out the distribution. Maybe there are set of?

Speaker 4

Customers who completely believes in online.

Speaker 4

I hate this.

Speaker 4

A TV or a PC or?

Speaker 4

A consumer durable is a moving vehicle, yeah.

Speaker 4

And moving way too will have.

Speaker 4

So it requires some kind of service.

Speaker 4

But there is no engine.

Speaker 4

So my.

Speaker 4

New IT could be a hybrid structure.

Speaker 4

It is the only.

Speaker 4

Thing I can't. I can't. Really. Really.

Speaker 4

Tell you how it is going to and many things.

Speaker 4

Are going to be OK.

Speaker 4

With so much of software and.

Speaker 4

Whatever you can do in this can be done in the two bigger.

Speaker 1

So it's, it's, it's, it's at.

Speaker 4

This point of time.

Speaker 4

Also good. Maybe there will be some difference in urban and rural and semi urban.

Speaker 4

OK, so lot of learning that will come.

Speaker 3

And when you look at all this because.

Speaker 3

You have now come to the output path.

Speaker 7

Because you.

Speaker 3

Shared a lot about the input and all the process but.

Speaker 4

Second, be patient.

Speaker 4

Have you seen 2020 million?

Speaker 3

I don't know.

Speaker 1

Like that.

Speaker 4

Then update.

Speaker 4

This test.

Speaker 4

50 days, \$50.

Speaker 1

No it's not.

Speaker 4

20 hours, because they will be coming.

Speaker 4

They don't want to spend the whole day.

Speaker 9

OK.

Speaker 4

Good buddy, fast bowling.

Speaker 4

Very difficult pitch. I always tell the.

Speaker 4

People to come and stay.

Speaker 6

That's very.

Speaker 4

Good ball if you take up.

Speaker 4

You will get an opportunity to.

Speaker 3

Hit your fix.

Speaker 4

So to me it is nothing different to a devious credit services or visiting.

Speaker 3

All these different processes same.

Speaker 3

Build the top line, say the customer.

Speaker 1

Video game.

Speaker 4

Prices will come down.

Speaker 8

Which customer segment do you think you are less well penetrated into and you want to focus?

Speaker 8

In a shame.

Speaker 4

I see.

Speaker 4

I won't be.

Speaker 4

Involved we were not there in 125CC rider, they come up now, we were not having.

Speaker 1

Right.

Speaker 4

So if you ask me.

Speaker 4

We were never there.

Speaker 4

We have to match between.

Speaker 4

And then decide what kind of product but.

Speaker 4

This is 1 area.

Speaker 4

Continuously walk.

Speaker 4

And possibly the heating side.

Speaker 4

We start.

Speaker 4

With scooters.

Speaker 4

But my hypothesis is that this category is around 35%.

Speaker 4

We don't expect.

Speaker 4

Extend 35% will become 40%. Forty percent, 50% like that?

Speaker 4

The motor domain list.

Speaker 3

Because of identification.

Speaker 8

So taking Shelly.

Palmer and she never.

Speaker 3

Because he.

Speaker 4

You decide by customers, OK, don't go by go getting paid, yeah?

Speaker 4

Easier you can do a.

Speaker 4

Focus group enough.

Speaker 4

What? What did you consider?

Speaker 8

So that kind of.

Speaker 8

How do you see?

Speaker 8

The price point of that segment?

Speaker 4

Complete your not better.

Speaker 4

One hypothesis.

Speaker 4

Session is called her.

Speaker 7

Second, OK, people want.

Speaker 4

More and more features, more and more.

Speaker 4

Technology, especially today's.

Speaker 4

Young people after I saw the Kia.

Speaker 4

I was expecting some money.

Speaker 4

Today, when people look at you, they.

Speaker 4

They look at.

Speaker 4

Yeah, yeah.

Speaker 4

And then they have a hold of aspiration.

Speaker 4

Then they will put their budget.

Speaker 4

So what is the venue or something?

Speaker 4

She will be happy.

Speaker 3

Got it.

Speaker 4

I said one person.

Speaker 4

My friends are saying.

Speaker 4

And I want only this. This is speeches.

Speaker 4

So today's young people, especially in urban they're aspirational somewhere.

Speaker 3

Let's see.

Speaker 3

Live only once.

Speaker 4

I think I think some.

Speaker 4

Of the.

Speaker 4

Things the current generation of India.

Speaker 4

I agree with you.

Speaker 4

Please understand me when we were doing that.

Speaker 4

We were always looking at saving.

Speaker 1

Yeah, yeah.

Speaker 4

Saying for the next generation.

Speaker 4

Apartment investment apartment because?

Speaker 4

Now I go to Indonesia, you know.

Speaker 4

I I talked to the Union.

Speaker 4

People Saturday, Sunday, they don't want to work.

Speaker 4

No, no, we we want to.

Speaker 4

Have friends we want to meet my friend.

Speaker 1

OK.

Speaker 4

To me it was not.

Speaker 4

Going in because we work, work, work, work.

Speaker 4

There is nothing about life, life, life.

Speaker 6

So for that part, that's the standard that conditions here.

Speaker 6

Like you say.

Speaker 6

In Indonesia that they are kind of lazy. They they spend weekend so happy and Indian is hard working and.

Speaker 6

Willing to work.

Speaker 4

I I I'm lazy.

Speaker 4

For example.

Speaker 5

Excuse me?

Speaker 4

Yeah, yeah, yeah.

He hasn't.

Speaker 3

It is largely just.

Speaker 4

Really candy that made them?

Speaker 5

Very good. I really miss that.

Speaker 5

Right now some bankers have come, so I have a physical meeting, so you may have to excuse me now.

Speaker 3

Anything you want to set up?

Speaker 1

I think.

Speaker 4

I think we should talk about.

Speaker 4

Yes, because I love you so long.

Speaker 3

You know the big picture.

Speaker 3

The previous credit as.

Speaker 3

Songs and doing update last.

Speaker 3

Night was great.

Speaker 3

But how the business checking?

Speaker 5

Joshua English credit selling sense is a subsidiary to TV's Motor Company TV Motor Company holds close to 85% eighty 586% in TV's credit service as well as the book size is concerned. They have recently crossed 16,000 crores of both sides.

Speaker 5

Very profitable, very healthy book there. There are no provisions for the non performing assets to the last four or five months continuously. The collections are better than the pre COVID level today.

Speaker 5

In fact, earlier QS Credit Services used to depend on 100% business from previous Motor Company when it was started. Now the dependency is as low as 30% we are doing for others.

Speaker 5

Uh business including consumer durables, trucks, used tractors, cars, everything today.

Speaker 5

Uh, we have close to.

Speaker 5

More than 10,000 people on ground for collection, though the collection cost is slightly high, but it is really helping us solve the collections.

Speaker 5

There are no provisions today. That's the, that's the news and we are quite cautious in deployment. Otherwise you would have even crossed 17,000 plus by now.

Speaker 5

That's the reason, but otherwise it's really doing very well.

Speaker 3

And so plans or conversation still also we did talk about plans to.

Speaker 3

Plans to bring an external investor for TV's credit? Yes.

Speaker 5

Yeah, yes. We are exploring all options. There will be uh fundraise programme, probably let you know very soon.

Speaker 5

We are evaluating.

Speaker 5

All options, yes.

Speaker 4

But what is most important is.

Speaker 4

When we start 100.

Speaker 4

Percent it was previous model dependent.

Speaker 4

Today, the dependence has come down to 30 percent, 70%.

Speaker 4

Any businesses like that we started with?

Speaker 4

One version of a cube. Now we have 3 versions.

Speaker 4

Three different price points.

Speaker 4

Understand, now we will have.

Speaker 4

More and more products, more and more segments.

Speaker 3

So how many products you plan the account? I'm not getting too specific, but how many over next said 18 months?

Speaker 4

Come you will have every segment. Ultimately you will have products and it will be far not only for Indian market, for global warming.

Speaker 4

That long made for you?

Speaker 1

Move on.

Speaker 1

I'm good.

Speaker 5

Oh yeah, I can I can I take leave, please?

Speaker 5

Thank you so much, Sir. Thank you, promote. Thank you for their team. Thank you so much.

Speaker 7

Thank you, Sir. Thank you, Sir.

Speaker 4

And these are.

Speaker 4

All made here. This is made of carrot. This is made of wheat. This local banana.

Speaker 4

Hey Pramod, you should you should tell them this not only direction should eat.

Speaker 3

Yeah, initially.

Speaker 3

I think I've been eating a lot.

Speaker 3

So and if you can talk a bit about the recent drive X investment as?

Speaker 3

To how that ties.

Speaker 3

Up with your previous overall and the.

Speaker 4

See, I I don't want this place.

Speaker 3

But I can say.

Speaker 4

That that is the logic.

Speaker 1

No, no.

Speaker 4

See, we have the TV plus ice.

Speaker 4

It doesn't matter which is really, really high end.

Speaker 9

Right.

Speaker 4

That you have the sideways.

Speaker 4

We don't know anything.

Speaker 4

About Europe market, but there's a great opportunity to enter into the Europe market.

Speaker 4

And these cycles are growing almost 20%.

This month.

Speaker 4

So there is something.

Speaker 4

We invested in ego movement at CMG primarily to understand customer, customer use a channel.

Speaker 4

Options are different. You can also decide, develop something and then put it and then you can. But these are all strategy 'cause we looked at, which is the fastest way you know to understand the consumer consumer behaviour.

Speaker 4

And it is possible to scale it up.

Speaker 1

Right.

Speaker 4

But this is an addition to the range.

Speaker 9

OK, so.

Speaker 4

I think we will constantly look at the opportunities for right investments and scale it up.

Speaker 4

Right.

Speaker 4

And then trying to set. How do?

Speaker 4

We make it profit.

Speaker 8

The thing is, you can understand it.

Speaker 3

But when we are accumulating so many small.

Speaker 7

Investments over longer.

Speaker 6

1 + 1 Plus suddenly becomes 20.

Speaker 2

Percent of your book.

Speaker 6

Container, that's the risk that we let it go.

Speaker 4

And we started information now.

Speaker 4

It was completely, completely run by the Indians, yeah.

Indonesians yeah.

Speaker 4

To me, money is not the problem.

Speaker 4

It sure is.

Speaker 4

Anyway, so many businesses, who will run it?

Speaker 3

That's the worry, they.

Speaker 3

Have that easier bandwidth getting.

Speaker 1

Right.

Speaker 4

I, I answered.

Speaker 4

I used to go to Indonesia every month.

Speaker 4

Last three years I have one call I sometimes I say that now.

Speaker 4

That I have.

Speaker 4

And it is run by the generations.

Speaker 4

So I I have a.

Speaker 4

Dream you know we will.

Speaker 4

Have information. We will have Europeans, you will have Africans, you will have Latin American, which will.

Speaker 4

Be running this company?

Speaker 4

With the four TV's death.

What was the?

Speaker 6

The the major difference between have a.

Speaker 6

Factory in Indonesia.

Speaker 6

Versus here because that that's The funny thing is.

There are.

Speaker 6

So many OEM.

Speaker 6

Doing like a textile.

Speaker 6

Apparel is in India, is not India in Indonesia but not in India is so rarely see like if you are in the United States, you can see a lot of T.

Speaker 6

Shirt made in Bangladesh.

Speaker 6

Indonesia or even.

Speaker 6

This time, but really.

Speaker 6

But so supposedly.

Speaker 6

India should be.

Speaker 6

Conflict with cheap labour. Even cheaper than Dennis, but majority the global brand. Not using India as the OEM centre.

Speaker 6

Yeah, yeah, that's the thing. Always a puzzle. Me and and.

Speaker 3

Yeah, so then.